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LEGISLATIVE HISTORY

Public Law 85-246
S. 939

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INDEX AND SUMMARY OF S. 939

- Jan. 17, 1957 Rep. Harris introduced H. R. 3233 which was referred to the House Interstate and Foreign Commerce Committee. Print of bill.
- Jan. 29, 1957 Sen. Magnuson introduced S. 939 which was referred to the Senate Interstate and Foreign Commerce Committee. Print of bill.
- May 22, 1957 Senate committee ordered S. 939 reported with amendments.
- June 6, 1957 Senate committee reported S. 939 with amendment. S. Report No. 410. Print of bill and report.
- June 11, 1957 House subcommittee ordered H. R. 3233 reported with amendment.
- June 12, 1957 Senate passed S. 939 as reported.
- June 13, 1957 S. 939 was referred to the House Committee on Interstate and Foreign Commerce. Print of bill as referred.
- House committee ordered H.R. 3233 reported with amendment.
- July 1, 1957 House committee reported H. R. 3233 with amendment. H. Rept. No. 677. Print of bill and report.
- July 17, 1957 Rules Committee reported resolution for consideration of H. R. 3233. H. Res. 320, H. Rept. 824.
- July 29, 1957 House agreed to resolution for consideration of H. R. 3233.
- July 30, 1957 House passed H. R. 3233 with amendments. House then vacated action on H. R. 3233 and passed S. 939, substituting the language of H. R. 3233.
- H. R. 3233 laid on the table due to passage of S. 939.
- Aug. 7, 1957 Both Houses appointed conferees on S. 939.

INDEX AND SUMMARY OF S. 939, cont'd:

- Aug. 13, 1957 Conferees agreed to file conference report.
- Aug. 14, 1957 House received conference report on S. 939. H. Report No. 1171. Print of report.
- Aug. 19, 1957 House agreed to conference report on S. 939.
- Aug. 20, 1957 Senate began consideration of conference report.
- Aug. 21, 1957 Senate continued debate on conference report.
- Aug. 22, 1957 Senate agreed to conference report.
- Aug. 31, 1957 Approved: Public Law 85-246.

DIGEST OF PUBLIC LAW 85-246

GOVERNMENT TRANSPORTATION AT FREE OR REDUCED RATES.

Amends Sec. 22 of the Interstate Commerce Act so as to require that all quotations or tenders of rates, fares, or charges for the transportation, storage or handling of property, or the transportation of persons free or at reduced rates shall be filed with the Interstate Commerce Commission. Provides that in making such quotations and tenders carriers are relieved from the provisions of the antitrust laws.

85TH CONGRESS
1ST SESSION

H. R. 3233

IN THE HOUSE OF REPRESENTATIVES

JANUARY 17, 1957

Mr. HARRIS introduced the following bill; which was referred to the Committee on Interstate and Foreign Commerce

A BILL

To amend section 22 of the Interstate Commerce Act, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 22 of the Interstate Commerce Act, as amended
4 (49 U. S. C. 22), is hereby further amended as follows:

5 (a) By changing the first clause of the first sentence
6 thereof to read as follows: "That nothing in this part shall
7 prevent the carriage, storage, or handling of property free
8 or at reduced rates for the United States, State, or munici-
9 pay governments during time of war or national emergency,
10 as declared by Congress or the President, or for charitable
11 purposes, or to or from fairs and expositions for exhibitions

A BILL

To amend section 22 of the Interstate Commerce Act, as amended.

By Mr. HARRIS

JANUARY 17, 1957

Referred to the Committee on Interstate and Foreign
Commerce

85TH CONGRESS
1ST SESSION

S. 939

IN THE SENATE OF THE UNITED STATES

JANUARY 29, 1957

Mr. MAGNUSON (by request) introduced the following bill; which was read twice and referred to the Committee on Interstate and Foreign Commerce

A BILL

To amend section 22 of the Interstate Commerce Act,
as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 22 of the Interstate Commerce Act, as amended
4 (49 Stat. 22), are hereby further amended as follows:

5 (a) By changing the first clause of the first sentence
6 thereof to read as follows: "That nothing in this part shall
7 prevent the carriage, storage, or handling of property free
8 or at reduced rates for the United States, State, or municipal
9 governments during time of war or national emergency, as
10 declared by Congress or the President, or for charitable
11 purposes, or to or from fairs and expositions for exhibition

1 thereat, or the free carriage of destitute and homeless per-
2 sons transported by charitable societies, and the necessary
3 agents employed in such transportation, or the transporta-
4 tion of persons for the United States Government free or
5 at reduced rates during time of war or national emergency,
6 or the issuance of mileage, excursion, or commutation passen-
7 ger tickets;" and

8 (b) By inserting after the section designation the letter
9 "(a)", and by adding at the end of the section the following:

10 "(b) Notwithstanding any other provision of law, any
11 rates, fares, and charges, and rules, regulations, and practices
12 with respect to the transportation of persons or the carriage,
13 storage, or handling of property for or on behalf of the United
14 States, or with respect to the carriage, storage, or handling
15 of property for or on behalf of any State or municipal gov-
16 ernment, by any common carrier, including freight for-
17 warders, subject to part I, II, III, or IV of this Act, offered,
18 negotiated, or established under the provisions hereof by
19 quotation or contract when accepted or agreed to by the
20 Secretary of Defense, the Secretary of Agriculture, or the
21 Administrator of the General Services Administration, or by
22 any official or employee of the United States to whom they
23 may delegate such authority, or, in the case of transportation
24 services performed for State or municipal governments, when
25 accepted or agreed to by a duly authorized official or em-

1 ployee thereof, shall be conclusively presumed to be just,
2 reasonable, and otherwise lawful, and shall not be subject to
3 attack or reparation after the date of such acceptance or
4 agreement upon any grounds whatsoever except for actual
5 fraud or deceit, or clerical mistake. Such rates, fares, or
6 charges, and rules, regulations, or practices, may be can-
7 celed or terminated upon not less than ninety days' written
8 notice by the United States, or State or municipal govern-
9 ment, or by any of the other parties thereto.

10 “(c) Any such rates, fares, or charges, rules, regula-
11 tions, or practices so made and accepted under the provisions
12 hereof shall not be considered to have any bearing upon,
13 or otherwise affect, the justness, reasonableness, or lawfulness
14 of any rates, fares, or charges, or of any rules, regula-
15 tions, or practices with respect to transportation services
16 theretofore performed for, or on behalf of, the United States,
17 State or municipal governments, nor shall the provisions of
18 this section be construed as any indication that similar rates,
19 fares, or charges or similar rules, regulations, or practices
20 theretofore effective were or were not binding upon or
21 enforceable against the United States, or any State or
22 municipal government.”

A BILL

To amend section 22 of the Interstate Commerce Act, as amended.

By Mr. MAGNUSON

JANUARY 29, 1957

Read twice and referred to the Committee on Interstate and Foreign Commerce

May 22, 1951

10. TRANSPORTATION. Passed without amendment S. 937, amendment/^{to} the Interstate Commerce Act to forbid common carriers from charging more for short hauls than for long hauls on the same line. pp. 6597-8
At the request of Sen. Purtell, Passed over S. 377, to provide for the finality of contracts between the Federal Government and common carriers. p. 6598
The Interstate and Foreign Commerce Committee ordered reported with amendments S. 939, allowing free or reduced rates for Government freight and making contracts between the Government and carriers final. p. D445
11. ELECTRIFICATION. Several Senators discussed Sen. Morse's criticism of the Administration's rapid tax amortization grant to the Idaho Power Co. pp. 6563-72
Sen. Saltonstall inserted a tabulation of investor-owned power reactor projects. p. 6574
At the request of Sen. Clark, passed over S. 2051, amending the Atomic Energy Act. p. 6583
At the request of several Senators, passed over S. 555, authorizing a Hells Canyon dam. p. 6596
At the request of Sen. Clark passed over S. 60, authorizing the Fryingpan-Arkansas project. p. 6596
Sen. Smith, N. J., inserted an address on "Atomic Energy and the Quest for Peace," by Assistant Secretary of State Wilcox. pp. 6606-9
12. FOREIGN AID. Several Senators discussed the President's message on the Mutual Security Program, and inserted an editorial and Secretary of State Dulles' statement on the program to the Foreign Relations Committee. pp. 6550-3, 6575-6
13. FLOOD CONTROL. Sen. Johnson commented on the value of flood control and water conservation projects, and inserted several telegrams on the damages not encountered due to flood control projects. p. 6553
14. SOIL SURVEY. Received two reports on soil surveys and land classifications, for the Ainsworth Unit and the Farwell Unit of the Missouri Basin project. pp. 6553-4
15. DAIRY INDUSTRY. Sen. Aiken praised the American dairy industry while noting the 350th anniversary of its beginnings would be celebrated June 4 at Jamestown, Va. pp. 6573-4
16. BUDGET. Sen. Robertson noted the necessity to study many phases of the present high cost of Government if taxes are to be cut. p. 6575
17. ROADS. Sen. Neuberger urged control of roadside advertising on the Interstate Highway system and inserted a series of articles on billboard regulation. pp. 6576-9
18. COST OF LIVING. Sen. Humphrey defended himself from charges that he was a "profit-baiter" and inserted statements on the proposed study of monetary policy and inflation. pp. 6580-7
19. AWARDS. Sen. Hruska inserted Sen. Allott's statement on two Coloradans who received Honor Awards from this Department. p. 6587
20. FOREST PRODUCTS. At the request of Sen. Clark, passed over S. Con. Res. 20, authorizing FTC to study the newsprint industry. p. 6588

21. RECREATION. At the request of Sen. Clark, passed over S. 1164, to make the evaluation of recreational benefits part of the planning for any flood control, navigation, or reclamation project. p. 6588
22. RECLAMATION. At the request of Sen. Clark, passed over H.R. 2146, to require Congressional approval of small reclamation projects (p. 6588), and later made it the pending business (p. 6618).
23. PERSONNEL. Sen. Neuberger urged increased pay for Government employees. pp. 6618-21

ITEMS IN APPENDIX

24. SOIL BANK. Sen. Capehart inserted an editorial favoring action taken by the House to eliminate the soil bank program at the end of the current year. p. A3881
Rep. George inserted an editorial stating that House action on the soil bank program "proves not much at all, except that politics and the farm problem are inseparable..." p. A3911
25. FAMILY FARM. Sen. Capehart inserted an editorial, "Family Farm Holds Its Own," stating that family farms still make up the vital core of American agriculture and that the Farm Bureau is the "true champion" of the family farmer. pp. A3881-2
Rep. Ullman stated that "certainly the present economic situation facing the American farmer provides little cause for optimism," and inserted an Oregon State Legislature resolution urging enactment of legislation to aid the family-size farm. pp. a3896-7
26. RURAL DEVELOPMENT. Sen. Cooper inserted an address delivered before the Rural Development Program Work Conference. p. A3886
27. FARM PROGRAM. Sen. Capehart inserted Secretary Benson's address before the Republican Regional Conference, Cincinnati, Ohio. pp. A3887-90
28. POTATOES. Sen. Jackson inserted a letter sent to him by the Wash. Potato and Onion Shippers Association, Yakima, Wash. and stated that "the letter sets forth with admirable clarity some of the problems and the resulting condition of the potato industry in Washington State." p. A3897
29. BUDGET. Sen. Thurmond inserted two editorials favoring a reduced budget. pp. A3899-900, A3904-5
Rep. Lane inserted an editorial commenting on the budget and asking "are we spending ourselves into weakness and further inflation?" p. A3907
Rep. Minshall inserted two editorials, "Ike's Budget Appeal," and "The Battle of the Budget." pp. A3936-7
30. SURPLUS FOOD. Rep. Fulton commended and congratulated religious faith groups for their distribution of surplus commodities to the hungry people abroad and inserted a table listing surplus commodity shipments by American voluntary agencies during a nine-month period. pp. A3901-2
31. FORESTRY. Sen. Thurmond inserted an editorial, "The Plight of Plywood," which states that "if we are to maintain the level of our forest wealth, it is imperative that legislative action be taken to control the competition which today is driving more and more manufacturers of plywood out of business." pp. A3902-3

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 7, 1957
For actions of June 6, 1957
85th-1st, No. 97

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HIGHLIGHTS: Sen. Johnson announced Senate would consider Agricultural appropriation bill Tues., June 11. Senate received proposed Budget Bureau bill for greater co-ordination of Federal loan programs and fiscal and credit policies. Sen. Capehart inserted Asst. Secretary Butz' Vermont speech. Rep. Breeding introduced and discussed bill to modify wheat quota law.

HOUSE

1. FOREIGN TRADE; SURPLUS DISPOSAL. The Rules Committee formally reported an open rule waiving points of order on H.R. 6974, to extend the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) for one year. p. 7573
2. EXTENSION WORK. Rep. Natcher paid tribute to the work of the 4-H Clubs in Ky. p. 7574
3. EDUCATION. Received the State Department semiannual report on the International Educational Exchange Program. p. 7602
4. PERSONNEL. The Post Office and Civil Service Committee reported with amendment H.R. 3048, relative to the charging of interest on deposits in the civil service retirement fund during certain periods of separation from the service (H. Rept. 540). p. 7603
5. SMALL BUSINESS. The Banking and Currency Committee ordered reported H.R. 7963, to extend the Small Business Act (a clean bill is to be introduced). p. D498
6. PUBLIC LANDS. Received an Ore. Legislature memorial urging legislation to finance and carry out the homesteading of the lands in the Klamath Drainage District. p. 7603

7. DEPRESSED AREAS. This Office has received copies of a House Banking and Currency Committee committee print, "Federal Assistance to Labor Surplus Areas," which are available for lending purposes only. This is a report prepared by the Legislative Reference Service of the Library of Congress and represents an analysis and summary of the major Federal programs to aid labor surplus areas, including the food distribution program of this Department.
8. FOREIGN AID. This office has received copies of H. Rept. 531, the Report of the Special Study Mission to Europe on Policy Toward the Satellite Nations, of the House Committee on Foreign Affairs, which includes comment on Polish agriculture and cotton textiles, and on Yugoslavia's use of Public Law 480 funds.

SENATE

9. BUILDINGS. Passed without amendment S. 1535, to authorize the General Services Administrator to make contracts for cleaning and custodial services for periods up to 5 years. pp. 7555-6
10. FISCAL PROCEDURES. Passed without amendment S. 1799, to facilitate the accounting procedures in the payment of Government checks. pp. 7556-7
11. STATION TRANSFERS. Passed as reported S. 1408, to authorize payment for the transportation of house trailers in the U.S. or Alaska, or between the U.S. and Alaska, in connection with station transfers of Federal employees. p. 7557
12. LOANS. Received from the Budget Bureau a proposed bill to base the interest rates for loans on the current interest on the public debt paid by the Treasury. p. 7531
13. TRANSPORTATION. The Interstate and Foreign Commerce Committee reported with amendment S. 939, to make Federal freight rate contracts binding (S. Rept. 410). p. 7532
14. APPROPRIATIONS. The Appropriations Committee reported with amendments H.R. 6500, the D.C. appropriation bill. (S. Rept. 409.) p. 7532
15. RECLAMATION. Sen. Watkins inserted an article on the Utah State Univ. course on irrigation problems and practices conducted for foreign students each summer for the past 5 years. p. 7537
16. WATER RESOURCES. Sen. Murray criticized the President for not meeting with him and other Pacific Northwest Senators, and inserted two articles, on the Benbrook Reservoir land acquisition question involving Sid Richardson, and on the President's relations with Congressmen. p. 7539
17. FOREIGN AID. Sen. Wiley inserted a speech by Harvey Williams, president of the Philco International Corp., in which he urged that Public Law 480 funds be used for loans to private investors abroad as the basis for a non-military foreign economic aid program. pp. 7539-43
18. MONETARY POLICIES; FARM LOANS. Sen. Bush inserted an editorial on the management of the public debt, and insisted that responsibility for financial management of the money market should be recognized to lie with the Federal Reserve Board. p. 7544
Sens. Gore and Long discussed the rise in interest rates and stated that a 1% increase in farm interest rates cuts farm income 2½%. pp. 7551-2

PROVIDING FOR SUBMISSION BY COMMON CARRIERS TO INTER-
STATE COMMERCE COMMISSION OF QUOTATIONS MADE TO THE
UNITED STATES GOVERNMENT UNDER SECTION 22 OF THE
INTERSTATE COMMERCE ACT

JUNE 6, 1957.—Ordered to be printed

Mr. SMATHERS, from the Committee on Interstate and Foreign
Commerce, submitted the following

REPORT

[To accompany S. 939]

The Committee on Interstate and Foreign Commerce, to whom was referred the bill (S. 939) to amend section 22 of the Interstate Commerce Act, as amended, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

I. INTRODUCTION

The purpose of this bill is to amend section 22 of the Interstate Commerce Act (49 U. S. C. 22) under which the United States Government and State or municipal governments are allowed free or reduced rates from carriers subject to the Interstate Commerce Act for the carriage, storage, or handling of property. In addition, the section allows the United States Government transportation of persons at free or reduced rates.

The terms of the bill, as introduced, would limit the granting of such free or reduced rates to time of war or national emergency, as declared by Congress or the President. Further, the bill would provide that any rates, fares, and charges, and rules, regulations, and practices made under section 22 "shall be conclusively presumed" to be lawful and not subject to attack, except for fraud or clerical mistake, after the date of their acceptance or agreement by duly authorized Government officials. Further, the measure would provide that such arrangements under section 22 could be canceled upon not less than 90 days' written notice by any of the parties thereto. Finally, S. 939 would prevent consideration of the reduced rates, fares, and charges as evidence of lawfulness of other rates, fares, and charges

and would provide that enactment of the bill would have no effect on transactions other than those carried out under its provisions.

The proposal incorporating the terms of S. 939, introduced at the request of the Interstate Commerce Commission, is contained in Interstate Commerce Commission Legislative Recommendation No. 3, page 160, 70th Annual Report to the Congress. Public hearings were held by the Surface Transportation Subcommittee, and all desiring to testify were heard.

II. DISCUSSION OF THE POSITION OF VARIOUS GROUPS ON THE BILL

Amendment or repeal of section 22 of the Interstate Commerce Act has been the subject of discussion for several years. Section 22, included in the original Act to Regulate Commerce of 1887, has been amended a number of times to allow transportation at free or reduced rates, of a number of classes of persons or property, among which traffic of the United States, State, and municipal governments is included.

The lines are fairly well drawn as between interested groups in regard to amendment or repeal of section 22 as it applies to free or reduced rates for the various levels of government. Although there are shades of difference between positions taken by the various groups on the subject, those advocating and those opposing repeal or amendment have identified themselves.

The Interstate Commerce Commission advocates amendment of section 22 as indicated in this bill on the ground that the reduced rates so obtained have a strong tendency to increase the cost of regulated transportation.

Leading advocates of repeal are members of the motor carrier industry. Except for some household goods movers with relatively high rates, the truckers, represented by the American Trucking Associations, vigorously urge the amendment or repeal of the terms of section 22 under which free or reduced rates may be granted to governments. It is argued that it is unfair to the commercial shipper to allow the government to move its traffic without regulation because under this policy the various levels of government obtain low rates that must be subsidized, or the difference made up by commercial shippers in the form of higher rates to them. It is further argued that the practices under section 22 lead to destructive competition between carriers for government traffic, particularly for the traffic of the United States Government. Various shipper organizations and transportation policy study groups take much the same position.

The Air Transport Association of America favors outright repeal of section 22 insofar as it relates to the granting of free or reduced rates for transportation to the United States, State, or municipal governments for many of the same reasons.

The announced position of the large railroads, represented by the Association of American Railroads, is opposition to repeal of section 22 in regard to free or reduced rates for government. The short-line railroads are in disagreement on the subject. The railroads generally contend that as long as unregulated means of transportation are available to the government, and until the railroads are given opportunity to utilize their natural advantages in competition with other regulated carriers, that section 22 should be available to the railroads

to allow them to compete for government business. The railroads claim that the rates accorded government under section 22 are no lower than comparable commodity rates granted industrial shippers. Both are reduced rates, it is pointed out, in the sense that they are lower than class rates, the use of which is generally confined to occasional or sporadic movements of traffic.

Prudent shippers having substantial volume of traffic invariably secure commodity rates or their equivalent to avoid incurring excessive transportation charges.

The Department of Defense does not favor passage of S. 939. Its representative pointed out in the course of his testimony that the Department, because of the need for speed and flexibility in moving traffic for the Armed Forces, and because this traffic often does not move in the usual commercial channels for which suitable commodity rates are in effect, deems it imperative that it continue to have the means for obtaining quick action on rate adjustments now available under section 22. The usual rate bureau procedure for obtaining such adjustments is considered too slow to meet the Department's needs.

The witness for Defense suggested in lieu of S. 939 that section 9 of S. 1457, 85th Congress, be substituted. That section would make rates on government traffic subject to all provisions of the Interstate Commerce Act including the requirements for filing and public inspection, except the long-and-short-haul clause and the terms of the act providing for suspension of rates. The Department of Commerce concurred in this suggestion and also expressed opposition to S. 939. The Department of Agriculture opposed the bill, stating its enactment would take away the flexibility in rates necessary for the handling and movement of agricultural products involved in the Department's programs.

General Services Administration, speaking in its capacity as traffic manager for much of the civilian traffic of the United States Government, opposed enactment of the bill. Both GSA and Defense, in regard to the statute of limitations governing actions on rates for the traffic of the United States, advocated a 2-year limitation as proposed in the President's memorandum of disapproval of S. 906, 83d Congress, dated September 2, 1954, which was cited as the primary reason for opposing S. 939. As your committee has recommended legislation to provide such a 2-year period, it is not necessary to deal here with that subject. (See Rept. No. 334, 85th Cong., 1st sess., to accompany S. 377, dated May 17, 1957).

The Tennessee Valley Authority expressed opposition to S. 939, citing the large movements of coal made on section 22 rates, and the reliance placed on such rates in making large investments in generating plants.

III. LEGISLATION RECOMMENDED IN LIEU OF S. 939

From the record made in the hearings on S. 939, it is clear that traffic of the United States Government, rather than traffic for States or municipal governments, is the main source of controversy under section 22. References hereafter to "Government" traffic are to traffic of the United States Government.

Your committee notes that there is conflict in the testimony concerning the level of rates received by the Government under section 22.

Although a number of witnesses alleged that the Government received section 22 rates lower than rates on comparable commercial traffic, there is a paucity of evidence to support these allegations. The Chairman of the Interstate Commerce Commission, for instance, testified on behalf of the Commission that "we think the Government is receiving an unfair advantage" under section 22 but he could offer no evidence to support this opinion. On the other hand, the material submitted for the record pertaining to rates paid on Government traffic and revenue earned thereon indicates in general that earnings to the carriers from Government traffic are equally attractive, if not more so, than revenue from comparable commercial traffic. This is apparently due to the heavier loadings and relatively longer hauls on much of the Government traffic.

The record contains reference to studies by the ICC Bureau of Transport Economics and Statistics that show levels of section 22 rates for several years averaged 13 to 14 percent above commodity rates for similar but not identical commercial traffic. Even though such studies are not conclusive, they indicate that Government traffic is not being subsidized by commercial traffic.

Your committee after hearing all the witnesses on the subject is of the opinion that Government traffic is extremely attractive and is also highly remunerative to carriers. As pointed out in the hearings, without the substantial earnings from Government traffic, commercial rates would of necessity be higher.

It seems fairly clear from the record that some commercial shippers, whose rates and earnings are among the less profitable to the carriers, want the Government to pay more for transportation in order that some relatively low commercial rates may be continued.

Others would bring rates for Government transportation service under regulation because having all transportation regulated presents a more orderly and neater arrangement than having some regulated, some unregulated. Still others, whose occupation is administration of regulatory statutes, desire the additional responsibility and prestige of regulating Government traffic, despite the absence of evidence that regulation is necessary in the public interest.

Your committee is of the opinion that Government with its numerous complicated operations and emergency situations needs more flexible and speedier means of obtaining rate adjustments than are offered by either rate bureaus or litigation before the Interstate Commerce Commission, both of which are notoriously slow and time consuming. Even in normal times, the patterns of Government traffic, the location of Government installations for the assembly, storage, and use of goods and supplies, and the exigencies of various agencies, especially those related to national defense, appear to require needs so different from the needs of commercial users of transportation and related services as to justify different treatment in the establishment of adequate and proper rates. Section 22 now allows these unusual needs to be met. Without section 22 Government transportation costs would probably be substantially greater.

At the same time, it should be noted that your committee is not convinced that Government agencies exercise sufficient foresight or use businesslike methods in securing rate adjustments from carriers. The committee urges that the agencies responsible for rate negotiations with the carriers improve their performance in this respect. As a

matter of Government policy, the carriers should be given opportunity under ordinary circumstances to exercise their managerial discretion, either to publish rates applicable on Government traffic in tariffs, or to issue them under section 22.

Your committee is not satisfied with the estimates available on the cost of Government transportation. It is equally dissatisfied with the various estimates on additional cost to the taxpayer in the form of higher transportation charges that might accompany repeal of the free or reduced rate provisions for the Government of section 22, or limitation of its use to time of war or national emergency. Accurate information should be assembled on these points by the agencies concerned.

Further, your committee is convinced that section 22 quotations, or tenders, aside from those relating to matters of national security, should be made available for public scrutiny. Rates for Government traffic, like other business transactions of the Government are, in the absence of compelling reasons to the contrary, best handled in the daylight of complete publicity. Requirement for such action is deemed necessary here.

In view of the record, your committee cannot approve S. 939 as originally introduced. The provisions of the bill for limiting free or reduced rates on traffic for United States, State, or municipal governments to time of war or national emergency does not seem to constitute necessary legislation for the reasons given previously herein. Likewise, the terms of the bill that would leave these governments practically without recourse upon acceptance of a section 22 quotation are certainly not in the public interest. The taxpayer, we believe, should not be accorded a shorter period of limitation than the 2 years accorded commercial shippers.

Your committee, therefore, recommends that in lieu of S. 939, a new paragraph be added to section 22 of the Interstate Commerce Act that would require carriers to submit to the Interstate Commerce Commission copies of section 22 quotations simultaneously with their submittal to the agencies and departments of the United States Government. The Commission would not have any regulatory authority over rates made under section 22, but would be required to make such section 22 tenders or quotations available for public examination. Carriers would not be required to submit to the Commission tenders or quotations under section 22 applicable solely for traffic of State or municipal governments. Nor would carriers be required to submit to ICC copies of such tenders or quotations, disclosure of the contents of which the Government agency involved indicated would endanger national security.

From the public files of such quotations or tenders your committee requests that studies be made by the Commission and other Government agencies and private groups having an interest in section 22. It is your committee's expectation that such studies would disclose the actual results of the use of section 22 as a part of the Interstate Commerce Act. In conducting such studies your committee points out that distinctions should be made between quotations and tenders requested by Government agencies, tenders of rates upon which traffic actually moved, and those quotations voluntarily offered to the Government.

IV. AGENCY COMMENTS

The Interstate Commerce Commission, at whose request S. 939 in its original form was introduced, favors passage of the bill to amend section 22 of the Interstate Commerce Act. Government agencies opposing S. 939 to amend section 22 include the Departments of Defense, Agriculture, and Commerce, General Services Administration, Tennessee Valley Authority, and the General Accounting Office. The reasons for the opposition of these agencies, set forth in this report, need not be repeated here.

V. CHANGES. CHANGES IN EXISTING LAW

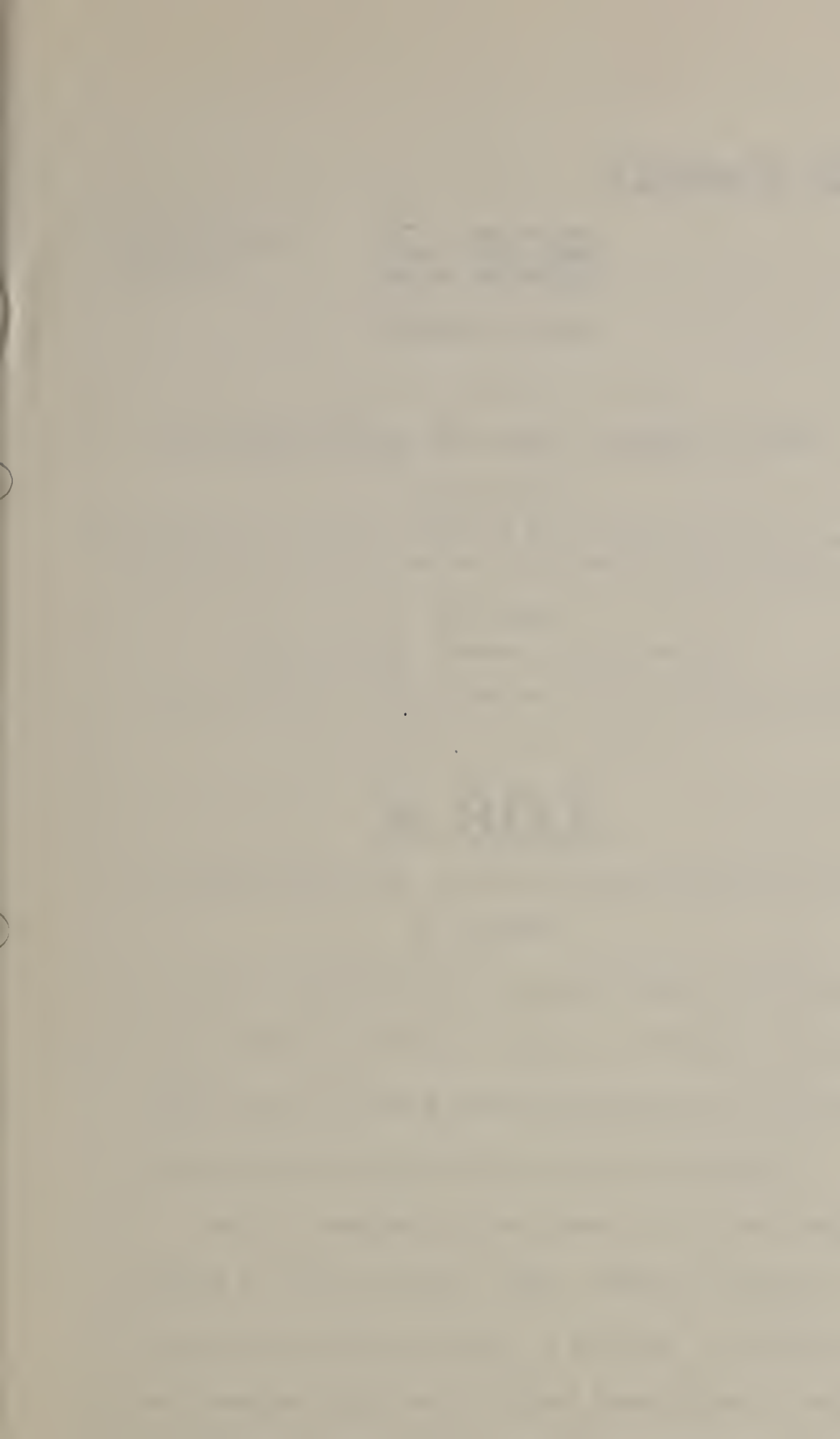
In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing laws made by the bill are shown as follows (new matter is printed in italics; existing laws in which no change is proposed is shown in roman):

INTERSTATE COMMERCE ACT, AS AMENDED

* * * * *

SEC. 22. (1) That nothing in this part shall prevent the carriage, storage, or handling of property free or at reduced rates for the United States, State, or municipal governments, or for charitable purposes, * * *

(2) *All quotations or tenders under paragraph (1) of this section for the carriage, storage, or handling of property or the transportation of persons free or at reduced rates for the United States Government, or any agency or department thereof, including quotations for retroactive application whether negotiated or renegotiated after the services have been performed, shall be in writing or confirmed in writing and a copy or copies thereof shall be submitted to the Commission by the carrier or carriers offering such tenders or quotations in the manner specified by the Commission. Submittal of such quotations or tenders to the Commission shall be made concurrently with submittal to the United States Government, or any agency or department thereof, for whose account the quotations or tenders are offered or for which the proposed services are to be rendered. Such quotations or tenders shall be preserved by the Commission for public inspection. The provisions of this paragraph shall not apply to any quotation or tender which, as indicated by the United States Government, or any agency or department thereof, to any carrier or carriers, involves information the disclosure of which would endanger the national security.*



S. 939

[Report No. 410]

IN THE SENATE OF THE UNITED STATES

JANUARY 29, 1957

Mr. MAGNUSON (by request) introduced the following bill; which was read twice and referred to the Committee on Interstate and Foreign Commerce

JUNE 6, 1957

Reported by Mr. SMATHERS, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To amend section 22 of the Interstate Commerce Act,
as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 22 of the Interstate Commerce Act, as amended
4 (49 Stat. 22), are hereby further amended as follows:

5 (a) By changing the first clause of the first sentence
6 thereof to read as follows: "That nothing in this part shall
7 prevent the carriage, storage, or handling of property free
8 or at reduced rates for the United States, State, or munici-
9 pal governments during time of war or national emergency,
10 as declared by Congress or the President, or for charitable
11 purposes, or to or from fairs and expositions for exhibition

1 thereat, or the free carriage of destitute and homeless per-
2 sons transported by charitable societies, and the necessary
3 agents employed in such transportation, or the transporta-
4 tion of persons for the United States Government free or
5 at reduced rates during time of war or national emergency,
6 or the issuance of mileage, excursion, or commutation pas-
7 senger tickets;" and

8 (b) By inserting after the section designation the letter
9 "(a)", and by adding at the end of the section the following:

10 "(b) Notwithstanding any other provision of law, any
11 rates, fares, and charges, and rules, regulations, and practices
12 with respect to the transportation of persons or the carriage,
13 storage, or handling of property for or on behalf of the United
14 States, or with respect to the carriage, storage, or handling
15 of property for or on behalf of any State or municipal gov-
16 ernment, by any common carrier, including freight for-
17 warders, subject to part I, II, III, or IV of this Act, offered,
18 negotiated, or established under the provisions hereof by
19 quotation or contract when accepted or agreed to by the
20 Secretary of Defense, the Secretary of Agriculture, or the
21 Administrator of the General Services Administration, or by
22 any official or employee of the United States to whom they
23 may delegate such authority, or, in the case of transportation
24 services performed for State or municipal governments, when
25 accepted or agreed to by a duly authorized official or em-

1 ployee thereof, shall be conclusively presumed to be just,
2 reasonable, and otherwise lawful, and shall not be subject to
3 attack or reparation after the date of such acceptance or
4 agreement upon any grounds whatsoever except for actual
5 fraud or deceit, or clerical mistake. Such rates, fares, or
6 charges, and rules, regulations, or practices, may be can-
7 celed or terminated upon not less than ninety days' written
8 notice by the United States, or State or municipal govern-
9 ment, or by any of the other parties thereto.

10 “(c) Any such rates, fares, or charges, rules, regula-
11 tions, or practices so made and accepted under the provisions
12 hereof shall not be considered to have any bearing upon,
13 or otherwise affect, the justness, reasonableness, or lawful-
14 ness of any rates, fares, or charges, or of any rules, regula-
15 tions, or practices with respect to transportation services
16 theretofore performed for, or on behalf of, the United States,
17 State or municipal governments, nor shall the provisions of
18 this section be construed as any indication that similar rates,
19 fares, or charges, or similar rules, regulations, or practices
20 theretofore effective were or were not binding upon or
21 enforceable against the United States, or any State or
22 municipal government.”

23 *That section 22 of the Interstate Commerce Act, as amended*
24 *(49 U. S. C. 22), is further amended by inserting after*

1 the section designation the figure (1) and by adding at the
2 end thereof the following:

3 “(2) All quotations or tenders under paragraph (1) of
4 this section for the transportation, storage, or handling of
5 property or the transportation of persons free or at reduced
6 rates for the United States Government, or any agency or
7 department thereof, including quotations for retroactive appli-
8 cation whether negotiated or renegotiated after the services
9 have been performed, shall be in writing or confirmed in
10 writing and a copy or copies thereof shall be submitted to
11 the Commission by the carrier or carriers offering such
12 tenders or quotations in the manner specified by the Com-
13 mission. Submittal of such quotations or tenders to the
14 Commission shall be made concurrently with submittal to the
15 United States Government, or any agency or department
16 thereof, for whose account the quotations or tenders are offered
17 or for whom the proposed services are to be rendered. Such
18 quotations or tenders shall be preserved by the Commission
19 for public inspection. The provisions of this paragraph shall
20 not apply to any quotation or tender which, as indicated by
21 the United States Government, or any agency or department
22 thereof, to any carrier or carriers, involves information the
23 disclosure of which would endanger the national security.”

85TH CONGRESS
1ST SESSION

S. 939

[Report No. 410]

A BILL

To amend section 22 of the Interstate Commerce
Act, as amended.

By Mr. MAGNUSON

JANUARY 29, 1957

Read twice and referred to the Committee on
Interstate and Foreign Commerce

JUNE 6, 1957

Reported with an amendment

June 11, 1957

10. LEGISLATIVE PROGRAM. Sen. Johnson urged the Senate not to discuss irrelevant subjects during the week ahead in order to allow time for full discussion of the four appropriation bills to be passed, and stated his desire to have the Senate act on H.R. 6070, the independent offices appropriation bill, and H.R. 6287, the Labor-HEW appropriation bill, on Wed., June 12, meeting at 9:30. pp. 7858, 7939-40

HOUSE

11. APPROPRIATIONS; ORGANIZATION. A subcommittee of the Government Operations Committee ordered reported with amendment the following bills: p. D516
H.R. 8002, to provide for improved methods of stating budget estimates and estimates for deficiency and supplemental appropriations;
H.R. 6711, to extend the termination date for the submission of reorganization plans to Congress, under the Reorganization Act, until June 1, 1961;
H.R. 5900, to amend Sec. 206 of the Legislative Reorganization Act of 1946, so as to enable the Comptroller General more effectively to assist the Appropriations Committees in considering the budget by making special expenditure analyses of agency operations.
12. TRANSPORTATION. A subcommittee of the Interstate and Foreign Commerce Committee ordered reported ~~S. 937, to amend Sec. 4 of the ICC Act so as to eliminate the necessity of ICC approval of certain rate publications, and~~ H.R. 3233, with amendment, to amend Sec. 22 of the ICC Act so as to limit the carriage, storage, or handling of property for the U. S., State, or municipal Governments free or at reduced rates to periods during time of war or national emergency. p. D516
13. SMALL BUSINESS. The Banking and Currency Committee ordered reported H.R. 7963, to extend the Small Business Act. p. D515
14. LEGISLATIVE PROGRAM. Rep. Cramer discussed the relative support of the two parties in Congress of the President's legislative recommendations. pp. 7836-39
15. FOREIGN AFFAIRS. The Foreign Affairs Committee submitted a report on foreign policy and mutual security pursuant to H. Res. 29 (H. Rept. 551). p. 7839
16. ADJOURNED until Thurs., June 13. p. 7839

ITEMS IN APPENDIX

17. FLOOD CONTROL. Sen. Johnson expressed the great need for more dams for flood control and water conservation in Texas and inserted an article on this subject. p. A4544
18. FOREIGN TRADE. Sen. Javits stated that "failure to authorize membership in the OTC would seriously jeopardize the position of the United States as world leader," and inserted his letter to the Committee on Foreign Trade Education, Inc. outlining his views. pp. A4544-5
Rep. Gary inserted Philip M. Talbott's, Pres., Chamber of Commerce of the U. S., address urging businessmen to do everything they can to help our Government maintain policies which facilitate the growth of freer foreign trade. pp. A4579-81
19. EXHIBITS. Sen. Thyne inserted his press release in support of U. S. participation in world fairs and expositions. p. A4550

20. FOREIGN AID. Sen. Talmadge inserted an editorial favoring reduction in foreign aid spending. p. A4551
21. ELECTRIFICATION. Sen. Church inserted an editorial summarizing the accomplishments of the Senate Antimonopoly Subcommittee regarding the Idaho Power Co. at Hells Canyon dam. pp. A4559-60
Rep. Evins inserted an editorial, "Propaganda Gimmick Exposed--Taxpayers Paying For Lobbying of Utilities, Oil, and Gas Companies." p. A4569
22. ST. LAWRENCE SEAWAY. Sen. Wiley inserted an article containing the facts and statistics of current work on the seaway as it "reaches its peak." p. A4563
23. FARM PROGRAM. Sen. Capehart inserted Under Secretary Morse's address, "New Dimensions In Farming," before a banquet sponsored by Charles Pfizner and Co., Inc., honoring 20 winners of 4-H Club animal health scholarships, at Terre Haute, Ind.. pp. A4567-8
24. STATEHOOD. Del. Burns inserted several articles favoring statehood for Alaska and Hawaii. pp. A4569-70
25. DAIRY INDUSTRY. Rep. Johnson, Wis., inserted an article describing the impact of dairying and the milk market on Wis. farm folk. pp. A4577-8
26. PERSONNEL. Rep. Lane inserted a Mass. Chapter of the Nat'l Ass'n of Retired Civil Employees on the high cost of living as it affects the low-income Federal civil-service annuitants. p. A4585
27. CONSERVATION. Rep. Saylor stated that conservation is not a problem for Congress alone and inserted an article commending the National Parks Ass'n on its student conservation program. p. A4591
28. BUDGET. Rep. Brooks, La. inserted Percival Brundage's, Director of the Bureau of the Budget, address, "The Federal Budget for 1958." pp. A4597-8

BILLS INTRODUCED

29. ACREAGE RESERVE. H.R. 8051, by Rep. Albert, H.R. 8063, by Rep. Edmondson, H.R. 8067, by Rep. Jarman, H.R. 8070, by Rep. Morris, H.R. 8073, by Rep. Steed, and S. 2264, by Sen. Kerr, to provide for an emergency acreage-reserve program in areas determined to be major disaster areas; to Agriculture and Forestry Committee and H. Agriculture Committee.
H.R. 8052, by Rep. Albert, H.R. 8064, by Rep. Edmondson, H.R. 8069, by Rep. Morris, and H.R. 8074, by Rep. Steed, to provide for increased participation in the acreage reserve program by producers of basic commodities in major disaster areas; to Agriculture Committee.
30. MILK. H.R. 8058, by Rep. Boyle, to require the Secretary of Health, Education, and Welfare to fix a minimum standard of 3.5 percent butterfat for whole milk; to Interstate and Foreign Commerce Committee.
31. FARM PROGRAM. H.R. 8059, by Rep. Breeding, to provide an improved farm program; to Agriculture Committee. Remarks of author. p. A4563
32. PATENTS. H.R. 8066, by Rep. Hillings, to authorize the restoration of times taken from patents covering inventions whose practice was prevented or curtailed during certain emergency periods by service of the patent owner in the Armed Forces or by governmental controls; to Judiciary Committee.

SENATE
June 12, 1957

"The section 402 program is additional and supplementary to the program under the Agricultural Trade Development and Assistance Act of 1954 (Public Law 430) and is financed not by funds specifically appropriated for that purpose but by funds appropriated under other sections of the Mutual Security Act.

"The total requirement is reduced this year because financing under the development loan fund is excepted and because there is considerably less money available with which to meet the requirement.

"The surplus agricultural commodities program is of concern to the committee not merely because of the need to dispose of these products but also, and increasingly, because of the use to be made of the proceeds from this disposal.

"The accumulated and anticipated receipts from Public Law 430 and section 402 sales are substantial. As of March 31, 1957, receipts and anticipated receipts under past programs totaled \$2.6 billion--almost the sum appropriated for mutual security for fiscal year 1956. Moreover, the estimated collections on principal and interest are: For the decade 1961-70, \$820 million; for 1970-80, \$964 million; and for 1981-90, \$1,082 million. These statistics are cited by the committee to underline its concern over the vast accumulation and investment of local currencies by the United States Government. This is a problem which requires more attention than it has so far received. Both section 402 and Public Law 430 specify purposes for which foreign currencies may be used. These purposes, which in the case of section 402 are the purposes of the Mutual Security Act, are sound and useful. But the committee believes that they could be even more useful if pursued with more vigor and imagination. A further problem which should be anticipated consists of the political implications of the accumulation by the United States of vast quantities of the currency of another country."

"Section 3 (i) authorizes an appropriation of \$2.2 million for fiscal year 1958 for the payment of ocean freight charges on relief shipments by voluntary agencies. This amount is expected to move goods valued at almost \$29 million.

"The authority of the President to use mutual security funds to pay ocean freight on surplus agricultural commodities, in amounts to be determined by him, is left unchanged by the technical changes in this section."

"One other change made by section 3(k) is to provide for the payment from ICA administrative expenses of the costs incident to carrying out functions under the Agricultural Trade Development and Assistance Act of 1954 performed by any agency or officer administering nonmilitary assistance. The act had previously provided that of title II funds, not exceeding \$1.5 million could be used for administrative expenses of the Agricultural Trade Development and Assistance Act of 1954. Payment for such expenses will now be made from the general fund for administrative expenses."

"The Mutual Security Act of 1956 contained a provision increasing the ceiling on authorized United States contributions to the Food and Agriculture Organization from \$2 million to \$3 million a year subject to a proviso that the percentage contribution of the United States could not exceed 31.5 percent of the total annual budget of the Organization. The executive branch proposed this year striking out this proviso. The committee instead recommends a ceiling of 33.33 percent on United States contribution, thereby bringing it into line with the ceiling on United States contributions to the United Nations. The scale of contributions recommended by the FAO Conference in November 1955 contemplates that the United States contribution will be 33.33 percent beginning in 1958.

"In view of the worthwhile activities of FAO, the committee believes that this figure is justified, at least for 1958.

"The Congress last year added through the Mutual Security Act of 1956 an addition to section 104 (h) to the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480), which called for special efforts to use Public Law 480 sales proceeds for international educational exchange activities. The results, since this change in the law, have been disappointing. Less than two-tenths of 1 percent of all foreign currencies accruing as a result of Public Law 480 sales have been used for the purpose of that section.

"The committee has therefore added in section 11 (b) of the proposed Mutual Security Act of 1957 a provision which would add further language to section 104 (h) of Public Law 480 giving the Secretary of State authority to set aside such amounts from Public Law 480 sales proceeds and loan repayments, not in excess of \$1 million a year in any one country for a period of not more than 5 years in advance, as he may determine to be needed for international educational exchange activities. The figure of \$1 million a year is within the limit set by the basic legislation on educational exchange activities. The 5-year period is necessary for adequate planning of this long-range program."

Sen. Morse submitted his minority views of S. 2130, the mutual security bill, together with the supplemental views of Sen. Long, after discussion with Sens. Knowland, Russell, and Long. p. 7969

The Rules and Administration Committee ordered reported S. Res. 141, extending until Jan. 31, 1958, the authority of the Special Committee to Study the Foreign Aid Program. p. D521

3. TRANSPORTATION. Passed as reported S. 939, to amend the Interstate Commerce Act so as to limit the granting of reduced rates to times of war or emergency but making such rates conclusive presumption of legality. pp. 7996-7

The Interstate and Foreign Commerce Committee ordered reported S. 1461, to restrict the suspension of motor carrier certificates to those guilty of willful violations. p. D521

4. WATER RESOURCES. The Rules and Administration Committee ordered reported S. Con. Res. 28, to print a compilation of materials relating to the development of the water resources of the Columbia River basin. p. D521

5. AREA DEVELOPMENT. Sen. Russell asked that the Record be corrected to show that he said "the rural development program which could prove to be of great significance." p. 7941

6. ATOMIC ENERGY. Sen. Pastore inserted an agreement with Iraq and accompanying correspondence, providing for atomic energy research and the lease of uranium. pp. 7951-3

7. LEGISLATIVE PROGRAM. Sen. Johnson stated that he had set aside Wed. thru Sat. for consideration of the mutual security bill. He listed a calendar of bills cleared by the minority and stated his hope to bring up by motion all bills on the calendar, this week. Among the bills were S. Con. Res. 20, authorizing FTC to investigate practices in the newsprint industry; S. 1164, to provide for the evaluation of recreational benefits in all water resource projects; S. 2051, to amend the Atomic Energy Act; S. 60, authorizing construction of the Fryingpan-Arkansas project; and S. 943, to require contract carriers of motor vehicles to file with the ICC their actual rates. He also stated that S. 555, to authorize construction of a high dam at Hells Canyon, would be brought up in the near future. pp. 7963-9

The bill has been favorably reported by the Committee on the Judiciary. I hope it will be acted upon by the Senate.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill (H. R. 1837) was ordered to a third reading, read the third time, and passed.

MRS. THEODORE ROUSSEAU

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 388, H. R. 1359.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 1359) for the relief of Mrs. Theodore (Nicole Xantho) Rousseau, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That, in the administration of the Immigration and Nationality Act, Mrs. Theodore (Nicole Xantho) Rousseau shall be deemed to be within the purview of section 354 (3) of the said act.

Mr. JOHNSON of Texas. Mr. President, the purpose of the bill, as amended, is to place the beneficiary within a category of persons exempt from certain expatriating provisions of the immigration laws, to which exemption she would normally be entitled, were it not for the fact that she was formerly a citizen of the country in which her foreign residence is located. The bill has been amended in accordance with the suggestion made by the Department of State.

The Committee on the Judiciary favorably recommends the bill.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ALESSANDRO RENDA

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 407, Senate bill 18.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 18) for the relief of Alessandro Renda.

Mr. JOHNSON of Texas. Mr. President, the purpose of the bill is to grant the status of permanent residence in the United States to Alessandro Renda. The bill provides for an appropriate quota deduction and for the payment of the required visa fee. The bill also provides for the posting of a bond as a guaranty that the beneficiary will not become a public charge.

The bill has been favorably recommended by the Committee on the Judiciary.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill (S. 18) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Alessandro Renda shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available. A suitable or proper bond or undertaking, approved by the Attorney General, shall be given by or on behalf of the said Alessandro Renda in the same manner and subject to the same conditions as bonds or undertakings given under section 213 of such act.

KYU YAWP LEE AND HIS WIFE HYUNG SOOK LEE

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 408, Senate bill 250.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 250) for the relief of Wyu Yawp Lee and his wife, Hyung Sook Lee.

Mr. JOHNSON of Texas. Mr. President, the purpose of the bill is to grant the status of permanent residence in the United States to Kyu Yawp Lee and his wife, Hyung Sook Lee. The bill provides for appropriate quota deductions and for the payment of the required visa fees.

I hope the bill will be approved by the Senate.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill (S. 250) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Kyu Yawp Lee and Mrs. Hyung Sook Lee shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

SUSANA M. UMANOS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 409, Senate bill 254.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 254) for the relief of Susana M. Umanos.

Mr. JOHNSON of Texas. Mr. President, the purpose of the bill is to grant the status of permanent residence in the United States to Susana M. Umanos. The bill provides for an appropriate quota deduction and for the payment of the required visa fee.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill (S. 254) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Susana M. Umanos shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that it be in order for the Clerk to call for consideration measures on the Senate Calendar from Order No. 410 through Order No. 433.

Mr. KNOWLAND. Mr. President, will the Senator from Texas agree to eliminate Calendar No. 415, Senate bill 931?

Mr. JOHNSON of Texas. Yes, eliminating Calendar No. 415, Senate bill 931. I refer to all those Calendar items with the exception of Calendar No. 415.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

FUMIKO SHIKANUKI

The Senate proceeded to consider the bill (S. 255) for the relief of Fumiko Shikanuki.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that a brief statement on the purpose of the bill be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The purpose of the bill is to enable the fiancée of a United States citizen veteran of our Armed Forces to enter the United States for the purpose of marrying her citizen fiancé and to thereafter reside in the United States.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill (S. 255) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in the administration of the Immigration and Nationality Act, Fumiko Shikanuki, the fiancée of Robert George Cartee, a citizen of the United States, shall be eligible for a visa as a non-immigrant temporary visitor for a period of 3 months: *Provided,* That the administrative authorities find that the said Fumiko

Shikanuki is coming to the United States with a bona fide intention of being married to the said Robert George Cartee and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named persons does not occur within 3 months after the entry of the said Fumiko Shikanuki, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 242 and 243 of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within 3 months after the entry of the said Fumiko Shikanuki, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Fumiko Shikanuki as of the date of the payment by her of the required visa fee.

GAETANO MATTIOLI CICCHINI

The Senate proceeded to consider the bill (S. 303) for the relief of Gaetano Mattioli Cicchini.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that a brief statement as to the purpose of the bill be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The purpose of the bill is to grant to the minor child adopted by a citizen of the United States the status of a nonquota immigrant which is the status normally enjoyed by alien minor children of United States citizens.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill (S. 303) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Gaetano Mattioli Cicchini, shall be held and considered to be the natural-born alien child of Frances Harriet Cicchini, a citizen of the United States.

KATARZYNA SIWIK

The Senate proceeded to consider the bill (S. 252) for the relief of Katarzyna Siwik, which had been reported from the Committee on the Judiciary with an amendment on page 2, line 3, after the word "act," to insert a colon and "*Provided further*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.", so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (6) of the Immigration and Nationality Act, Katarzyna Siwik may be granted a visa and be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act, under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of said act: *Provided further*, That this exemption

shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that a brief statement as to the purpose of the bill be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of the bill, as amended, is to waive the excluding provision of existing law relating to one who is afflicted with tuberculosis in behalf of the mother of a United States citizen veteran of our Armed Forces. The bill also provides that the beneficiary will submit to any necessary medical treatment for her tubercular condition and provides for the posting of a bond as a guaranty that the beneficiary will not become a public charge.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MIYAKO UEDA OSGOOD

The Senate proceeded to consider the bill (S. 284) for the relief of Miyako Ueda Osgood, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That in the administration of the Immigration and Nationality Act, Miyako Ueda Osgood, widow of John David Osgood, a deceased United States citizen who served honorably in the Armed Forces of the United States, shall be deemed to be a nonquota immigrant.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that a brief statement as to the purpose of the bill be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The purpose of the bill, as amended, is to grant the status of a nonquota immigrant to Miyako Ueda Osgood which is the status she would be entitled to were it not for the death of her husband. She is the widow of a United States citizen who served honorably in the Armed Forces of the United States.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MARIA MATILDE PICALLO

The Senate proceeded to consider the bill (S. 286) for the relief of Maria Matilde Picallo, which had been reported from the Committee on the Judiciary with an amendment in line 5, after the word "be", to insert "issued a visa and be", so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provisions of paragraph 9 of section 212 (a) of the Immigration and Nationality Act,

Maria Matilde Picallo may be issued a visa and be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such act. This act shall apply only to grounds for exclusion under such paragraph known to the Secretary of State or the Attorney General prior to the date of the enactment of this act.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that a brief statement as to the purpose of the bill be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The purpose of the bill, as amended, is to waive the excluding provision of existing law relating to the commission of crimes involving moral turpitude in behalf of the mother of a lawful permanent resident of the United States. The bill has been amended in accordance with established precedents.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AMENDMENT OF INTERSTATE COMMERCE ACT, AS AMENDED

The Senate proceeded to consider the bill (S. 939) to amend section 22 of the Interstate Commerce Act, as amended, which had been reported from the Committee on Interstate and Foreign Commerce with an amendment to strike out all after the enacting clause and insert:

That section 22 of the Interstate Commerce Act, as amended (49 U. S. C. 22), is further amended by inserting after the section designation the figure (1) and by adding at the end thereof the following:

"(2) All quotations or tenders under paragraph (1) of this section for the transportation, storage, or handling of property or the transportation of persons free or at reduced rates for the United States Government, or any agency or department thereof, including quotations for retroactive application whether negotiated or renegotiated after the services have been performed, shall be in writing or confirmed in writing and a copy or copies thereof shall be submitted to the Commission by the carrier or carriers offering such tenders or quotations in the manner specified by the Commission. Submittal of such quotations or tenders to the Commission shall be made concurrently with submittal to the United States Government, or any agency or department thereof, for whose account the quotations or tenders are offered or for whom the proposed services are to be rendered. Such quotations or tenders shall be preserved by the Commission for public inspection. The provisions of this paragraph shall not apply to any quotation or tender which, as indicated by the United States Government, or any agency or department thereof, to any carrier or carriers, involves information the disclosure of which would endanger the national security."

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that a brief statement as to the purpose of the bill be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The purpose of this bill is to amend section 22 of the Interstate Commerce Act (49 U. S. C. 22) under which the United States Government and State or municipal governments are allowed free or reduced rates from carriers subject to the Interstate Commerce Act for the carriage, storage, or handling of property. In addition, the section allows the United States Government transportation of persons at free or reduced rates.

The terms of the bill, as introduced, would limit the granting of such free or reduced rates to time of war or national emergency, as declared by Congress or the President. Further, the bill would provide that any rates, fares, and charges, and rules, regulations, and practices made under section 22 "shall be conclusively presumed" to be lawful and not subject to attack except for fraud or clerical mistake, after the date of their acceptance or agreement by duly authorized Government officials. Further, the measure would provide that such arrangements under section 22 could be canceled upon not less than 90 days' written notice by any of the parties thereto. Finally, S. 939 would prevent consideration of the reduced rates, fares, and charges as evidence of lawfulness of other rates, fares, and charges and would provide that enactment of the bill would have no effect on transactions other than those carried out under its provisions.

The proposal incorporating the terms of S. 939, introduced at the request of the Interstate Commerce Commission, is contained in Interstate Commerce Commission Legislative Recommendation No. 3, page 160, 70th Annual Report to the Congress. Public hearings were held by the Surface Transportation Subcommittee, and all desiring to testify were heard.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AMENDMENT OF UNIVERSAL MILITARY TRAINING AND SERVICE ACT

The Senate proceeded to consider the bill (H. R. 6548) to amend the Universal Military Training and Service Act, as amended, as regards persons in the medical, dental, and allied specialist categories.

Mr. JOHNSON of Texas. Mr. President, the purpose of H. R. 6548 is to authorize the President until July 1, 1959, to issue special calls for physicians and dentists and other allied specialists who are otherwise liable for induction under the regular draft. Under existing law the President has no authority to induct persons from among the various age groups on the basis of their professional or technical skill. The bill will provide such special authority with regard to physicians and dentists and other allied specialists. It is expected that this legislation will operate in a manner similar to the doctor draft law under which commissions will be offered to all physicians and dentists who are qualified to receive a commission.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill (H. R. 6548) was ordered to a third reading, read the third time, and passed.

PERMISSION FOR RETIRED OFFICER OF THE NAVY TO BE EMPLOYED IN COMMAND STATUS AT PORT LYAUTEY, MOROCCO

The Senate proceeded to consider the bill (H. R. 7505) to permit a retired officer of the Navy to be employed in command status at Port Lyautey, Morocco.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement as to the purpose of the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The purpose of this measure is to permit Capt. Christian Harold Duborg to remain in a command status at Port Layutey, Morocco, after he has been placed on the retired list.

Capt. Christian Harold Duborg is now in command at United States Naval Activities, Port Lyautey, Morocco. He is required to be retired from the Navy on June 30, 1957, after having completed 30 years of service. Captain Duborg has been participating with the Department of State and other elements of the Department of Defense in negotiations with the Moroccan and French Governments on military base rights. It is anticipated that these negotiations will continue for some time after the date on which Captain Duborg will retire. His experience and familiarity with the subjects of the base-rights negotiation make desirable his continued retention in command there.

The PRESIDING OFFICER. The question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

AUTHORIZATION FOR APPROPRIATIONS TO CONSTRUCT OFFICE BUILDING FOR ATOMIC ENERGY COMMISSION—BILL PASSED OVER

The bill (S. 1918) to amend Public Law 31, 84th Congress, to increase the authorization for appropriations to the Atomic Energy Commission for the construction of a modern office building in or near the District of Columbia to serve as its principal office was announced as next in order.

Mr. KNOWLAND. Mr. President, I think we should have an explanation of this bill.

Mr. JOHNSON of Texas. I ask that the bill be passed over. The amount involved does not bring the bill within the category of the others, and I ask that action on this measure be deferred.

The PRESIDING OFFICER. The bill will be passed over.

CHRISOULA ANTONIOS CHEGARAS

The Senate proceeded to consider the bill (S. 904) for the relief of Chrisoula Antonios Chegaras.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that a statement as to the purpose of the bill be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The purpose of the bill is to grant to the child adopted by citizens of the United States the status of a nonquota immigrant, which is the status normally enjoyed by alien minor children of United States citizens.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, Chrisoula Antonios Chegaras shall be held and considered to be the natural-born minor alien child of Antonios Chegaras, a citizen of the United States.

ANGELA FERRINI

The Senate proceeded to consider the bill (S. 336) for the relief of Angela Ferrini, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That, notwithstanding the provisions of section 101 (b) of the Immigration and Nationality Act, Angela Ferrini shall be held and considered to be within the purview of section 101 (a) (27) (A) of the said act.

So as to make the bill read:

Be it enacted, etc., That, notwithstanding the provisions of section 101 (b) of the Immigration and Nationality Act, Angela Ferrini shall be held and considered to be within the purview of section 101 (a) (27) (A) of the said act.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement as to the purpose of the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The purpose of the bill, as amended, is to enable Angela Ferrini, the daughter of a United States citizen, to enter the United States as a nonquota immigrant which is the status normally enjoyed by the alien minor children of United States citizens. The purpose of the amendment is to clarify the language of the bill.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ELISABETH TROUT

The Senate proceeded to consider the bill (S. 418) for the relief of Elisabeth Trout, which had been reported from the Committee on the Judiciary with an amendment in line 5, after the word "be," to insert "issued a visa and be," so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provisions of paragraph (9) of section 212 (a) of the Immigration and Nationality Act, Elisabeth Trout may be issued a visa and be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such act: *Provided,* That this act shall apply only to grounds for exclusion under such paragraph known to the Secretary of State or the Attorney General prior to the date of the enactment of this act.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a

statement concerning the purpose of the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The purpose of the bill, as amended, is to waive the excluding provision of existing law relating to convictions of crimes involving moral turpitude in behalf of the wife of a United States citizen veteran of our Armed Forces. The bill has been amended in accordance with established precedents.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

WILHELMINE ALDRIDGE AND OTHERS

The Senate proceeded to consider the bill (S. 627) for the relief of Wilhelmine Aldridge, and her minor children, Irene S. Aldridge and Ingebert Kathe Aldridge, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 5, after the word "be", to insert "issued a visa and be", so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provisions of paragraph (9) of section 212 (a) of the Immigration and Nationality Act, Wilhelmine Aldridge may be issued a visa and be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such act: *Provided*, That the provisions of this section shall apply only to grounds for exclusion under such paragraph known to the Secretary of State or the Attorney General prior to the date of enactment of this act.

SEC. 2. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor children, Irene S. Aldridge and Ingeborg Kathe Aldridge, shall be held and considered to be the natural-born alien children of John Aldridge, a citizen of the United States.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a brief statement concerning the purpose of the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The purpose of the bill, as amended, is to waive the excluding provision of existing law relating to convictions of crimes involving moral turpitude in behalf of the wife of a United States citizen. A further purpose of the bill is to grant to the minor children adopted by a citizen of the United States the status of nonquota immigrants which is the status normally enjoyed by alien minor children of United States citizens. The bill has been amended in accordance with established precedents.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

URSULA ROSA PAZDRO

The Senate proceeded to consider the bill (S. 660) for the relief of Ursula Rosa Pazdro, which had been reported from the Committee on the Judiciary with an amendment in line 5, after the word "be", to insert "issued a visa and be", so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provisions of paragraph (9) of section 212 (a) of the Immigration and Nationality Act, Ursula Rosa Pazdro may be issued a visa and be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such act: *Provided*, That this act shall apply only to grounds for exclusion under such paragraph known to the Secretary of State or the Attorney General prior to the date of the enactment of this act.

Mr. JOHNSON of Texas. I ask unanimous consent to have printed in the RECORD at this point a brief explanation as to the purpose of the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The purpose of the bill, as amended, is to waive the excluding provision of existing law relating to a conviction of crimes involving moral turpitude in behalf of the wife of a United States citizen member of our Armed Forces. The bill has been amended in accordance with established precedents.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JEFFREY CHARLES MEDWORTH

The Senate proceeded to consider the bill (H. R. 1454) for the relief of Jeffrey Charles Medworth, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That, for the purposes of the Immigration and Nationality Act, Jeffrey Charles Medworth, a British subject who was born in India, shall be deemed to have been born in Great Britain.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a brief statement concerning the purpose of the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The purpose of the bill, as amended, is to deem Jeffrey Charles Medworth to have been born in Great Britain. The bill has been amended in accordance with established precedents.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ELEANOR M. HORTON

The Senate proceeded to consider the bill (S. 520) for the relief of Eleanor M. Horton, which had been reported from the Committee on the Judiciary with amendments in line 3, after the word "provisions", to strike out "of paragraphs (9) and (10)"; in line 4, after the letter "(a)", to insert "(9)", and in line 5, after the word "be", to insert "issued a visa and be"; so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provisions of section 212 (a) (9) of the Immigration and Nationality Act, Eleanor M. Horton may be issued a visa and be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such act: *Provided*, That this act shall apply only to grounds for exclusion under such paragraphs known to the Secretary of State or the Attorney General prior to the date of the enactment of this act.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a brief statement concerning the purpose of the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The purpose of the bill, as amended is to waive the excluding provision of existing law relating to the conviction of crimes involving moral turpitude in behalf of the wife of a United States citizen member of our Armed Forces. The bill has been amended to delete reference to section 212 (a) (10) which does not apply and has been amended further in accordance with established precedents.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MARIA MANIATES

The Senate proceeded to consider the bill (S. 1083) for the relief of Maria Maniates, which had been reported from the Committee on the Judiciary with amendments in line 4, after the word "act," to strike out "the minor child,"; in line 5, after the name "Maria," to strike out "Maniates," and insert "Maniates", and in line 6, after the word "natural-born", to insert "minor"; so as to make the bill read:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, Maria Maniates shall be held and considered to be the natural-born minor alien child of Mr. and Mrs. Philip Maniates, citizens of the United States.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a brief statement as to the purpose of the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

S. 939

IN THE HOUSE OF REPRESENTATIVES

JUNE 13, 1957

Referred to the Committee on Interstate and Foreign Commerce

AN ACT

To amend section 22 of the Interstate Commerce Act,
as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 22 of the Interstate Commerce Act, as amended
4 (49 U. S. C. 22), is further amended by inserting after
5 the section designation the figure (1) and by adding at the
6 end thereof the following:

7 “(2) All quotations or tenders under paragraph (1) of
8 this section for the transportation, storage, or handling of
9 property or the transportation of persons free or at reduced
10 rates for the United States Government, or any agency or
11 department thereof, including quotations for retroactive appli-

1 cation whether negotiated or renegotiated after the services
2 have been performed, shall be in writing or confirmed in
3 writing and a copy or copies thereof shall be submitted to
4 the Commission by the carrier or carriers offering such
5 tenders or quotations in the manner specified by the Com-
6 mission. Submittal of such quotations or tenders to the
7 Commission shall be made concurrently with submittal to the
8 United States Government, or any agency or department
9 thereof, for whose account the quotations or tenders are of-
10 fered or for whom the proposed services are to be rendered.
11 Such quotations or tenders shall be preserved by the Commis-
12 sion for public inspection. The provisions of this paragraph
13 shall not apply to any quotation or tender which, as indicated
14 by the United States Government, or any agency or depart-
15 ment thereof, to any carrier or carriers, involves information
16 the disclosure of which would endanger the national se-
17 curity."

Passed the Senate June 12, 1957.

Attest:

FELTON M. JOHNSTON,

Secretary.

AN ACT

To amend section 22 of the Interstate Commerce Act, as amended.

JUNE 13, 1957

Referred to the Committee on Interstate and Foreign
Commerce

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 14, 1957
For actions of June 13, 1957
85th-1st, No. 102

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HIGHLIGHTS: Senate debated mutual security authorization bill. House committee ordered reported bill to provide improved methods of stating budget estimates. House committee reported public works appropriation bill. Sen. Murray and others proposed and Sen. Murray discussed measure for improved evaluation procedures of land and water resources projects. Rep. Doad introduced and discussed bills for increased disposal of surplus commodities.

HOUSE

1. APPROPRIATIONS. The Appropriations Committee reported H.R. 8090, the public works appropriation bill for 1958 (H. Rept. 552). pp. 8071, 8106

The Government Operations Committee ordered reported with amendment H.R. 8002, to provide for improved methods of stating budget estimates and estimates for deficiency and supplemental appropriations. p. D527

The Government Operations Committee reported with amendment H.R. 6900, to amend Sec. 206 of the Legislative Reorganization Act of 1946, so as to enable the Comptroller General more effectively to assist the Appropriations Committees in considering the budget by making special expenditure analyses of agency operations (H. Rept. 567). p. 8106

2. PEANUTS. A subcommittee of the Agriculture Committee ordered reported H.R. 6764, to delete the requirement for reports from persons owning or operating peanut picking or threshing machines, and H.R. 6570, with amendment, to amend the peanut marketing quota provisions of the Agricultural Adjustment Act of 1938 so as to remove green peanuts from marketing penalties. p. D526

3. FORESTRY. A subcommittee of the Interior and Insular Affairs Committee ordered reported H.R. 3358, to supplement the land-grant provisions of the Alaska Mental Health Enabling Act to permit the selection of certain public lands in Alaska. p. D527

4. ADVISORY COMMITTEES. The Government Operations Committee ordered reported with amendment H.R. 7390, to amend the Administrative Expenses Act of 1946 so as to require reports to Congress prior to the establishment of certain advisory committees. p. D527
 5. TRANSPORTATION. The Interstate and Foreign Commerce Committee ordered reported with amendment H.R. 3233, to amend Sec. 22 of the ICC Act to limit the carriage, storage, or handling of property for the U. S., State, or municipal governments free or at reduced rates to periods during time of war or national emergency. p. D527
 6. SMALL BUSINESS. The Banking and Currency Committee reported with amendment H.R. 7963, to extend the Small Business Act of 1953 (H. Rept. 555). p. 8106
 7. BANKING. Received the annual report of the Board of Governors of the Federal Reserve System on 1956 operations. p. 8105
 8. FOREIGN TRADE. Rep. Pelly discussed the effects of our trade embargo with Red China, including the amount of wheat and lumber formerly shipped to China. pp. 8098-99
Rep. Lane spoke in favor of legislation to give U. S. industries greater protection against foreign imports. pp. 8104-05
- SENATE
9. FOREIGN AID. Continued debate on S. 2130, the mutual security authorization bill. pp. 8015-34, 8036-46, 8048-54, 8057-67
The Rules and Administration Committee reported without amendment S. Res. 141, extending to Jan. 31, 1958, the authority of the Special Committee to Study Foreign Aid Program (S. Rept. 435). p. 8005
Sen. Bennett inserted comments by ICA on an article by Eugene W. Castle which was critical of foreign aid spending. p. 8056
 10. WATER RESOURCES. The Rules and Administration Committee reported without amendment S. Con. Res. 28, authorizing the printing of a compilation of materials concerning the development of water resources in the Columbia River Basin (S. Rept. 433). p. 8005
 11. ATOMIC ENERGY. The Foreign Relations Committee ordered reported the Statute of the International Atomic Energy Agency (Exec. I, 85th Cong., 1st Sess.). p. D525
Sen. Pastore inserted the agreement and correspondence between the U.S. and Portugal concerning civil uses of atomic energy. pp. 8008-9
 12. LANDS. Received a Calif. Legislature resolution urging passage of H.R. 5538, to provide that all military land withdrawals of over 5,000 acres must be approved by Congress. p. 8004
 13. EXPENDITURES. Received from the National Assn. of Credit Men a resolution favoring reductionsof expenditures. p. 8004
 14. FLOOD CONTROL. Sen. Yarborough inserted a letter from the Region 5 Administrator, Civil Defense Administration reporting on the damage suffered in the recent floods in Texas, and commented: "The moral is plain; Flood control construction pays for itself in some areas in 1 year." pp. 8011-13

July 1, 1957

17. ADVISORY COMMITTEES. Passed over, on objection by Rep. Cunningham, Iowa, H.R. 7390, to amend the Administrative Expense Act so as to establish standards for certain advisory committees. p. 9537

18. TRANSPORTATION. Passed without amendment S. 937, to amend Sec. 4 of the Interstate Commerce Act so as to eliminate the necessity of ICC approval of certain rate publications. (p. 9537) This bill will now be sent to the President.

The Interstate and Foreign Commerce Committee reported with amendment H.R. 3233, to amend Sec. 22 of the Interstate Commerce Act so as to provide for transportation of Federal property free or at reduced rates (H. Rept. 677). p. 9579

19. FORESTRY. Passed with ^{out} amendment S. 45, to authorize the sale to the village of Central, N. Mex., of certain lands administered by the Forest Service which were formerly a part of the Ft. Bayard Military Reservation. A similar bill, H.R. 7520, was laid on the table. (pp. 9538-39) This bill will now be sent to the President.

Passed without amendment H.R. 3358, to supplement the land grant provisions of the Alaska Mental Health Enabling Act to permit the selection of certain public lands in Alaska; and H.R. 7864, to amend the Act of May 4, 1956 relative to the establishment of public recreational facilities in Alaska. p. 9539

20. PEANUTS. Passed as reported H.R. 6764, to amend the Act of June 24, 1934 so as to delete the requirement for reports from persons owning or operating peanut picking or threshing machines. The language of the bill was then substituted for the language of a similar bill, S. 609, which was passed. H.R. 6764 was laid on the table. p. 6540

21. ACCOUNTING. Passed with amendment H.R. 8195, to facilitate the payment of Government checks. (pp. 9542-43) This bill had been reported with amendment earlier by the Government Operations Committee (H. Rept. 666). (p. 9579)

22. FOREIGN AID. Agreed to S. Con. Res. 30, to print a compilation of studies and reports prepared by the Special Committee to Study the Foreign Aid Program. p. 9544

Rep. Hiestand urged establishment of a Joint Committee to study the foreign aid program because of the importance of such spending upon inflation and the budget. p. 9570

Rep. Hosmer urged an adequate mutual security program. pp. 9577-8

The Foreign Affairs Committee ordered reported with amendments S. 2130, the mutual security authorization bill. p. D602

23. ATOMIC ENERGY. Passed with amendments H.R. 7383, to provide indemnity and liability for nuclear accidents. pp. 9545, 9548, 9550-66

24. SURPLUS COMMODITIES. The Fisheries and Wildlife Subcommittee ordered reported with amendments to the Merchant Marine and Fisheries Committee H.R. 6959, to authorize the use of CCC surplus commodities to augment the food supplies for migratory waterfowl. p. D602

25. RICE. The Rice Subcommittee ordered reported with amendments to the Agriculture Committee H.R. 4709, to provide that rice acreage history not be developed by planters who plant without acreage allotments, and announced that a clean bill is to be introduced. p. D601

26. OLEOMARGARINE. A subcommittee ordered reported with amendments to the Armed Services Committee H.R. 912, to provide for the serving of oleomargarine or margarine in the Navy ration. p. D601

ITEMS IN APPENDIX

27. COTTON. Sen. Talmadge inserted an American Cotton Manufacturers Institute, Inc., statement of fundamentals regarding a United States Government cotton policy in which it "enunciated" certain basic provisions which the textile industry believes should be embodied in any new cotton program. pp. A5218-9
28. TRANSPORTATION. Sens. Wiley and Magnuson inserted award winning essays on, "The American Merchant Marine: Its Importance to the American Farmer-Miner-Manufacturer in World Trade." pp. A5220-1, A5256-7
29. FARM PROGRAM. Rep. Gathings inserted an editorial discussing the administration's farm program, and stating that "the strangest phase of the spectacle lies in the fact that Mr. Benson is so obviously concerned about the processors of farm commodities, rather than the farmers themselves." pp. A5222-3
Rep. Wharton inserted an article, "Says Government Spending Must be Reduced," setting forth the views of a N.Y. local farm bureau unit on the present farm situation and their reaction after "20-years of so-called farm programs." pp. A5223-4
30. PERSONNEL. Reps. Lane and Multer inserted their statements before the House Post Office and Civil Service Committee in support of legislation to provide for increased annuities for retired Federal employees. pp. A5223, A5246-7
31. POULTRY. Extension of remarks of Rep. Burdick in support of legislation for compulsory poultry inspection. pp. A5232-3
32. SECURITY. Sen. Cotton inserted an article analyzing the recommendations of the Commission on Government Security. p. A5243
33. INFLATION. Sen. Thyne inserted an article, "Events May Force Action on Inflation" pp. A5243-4
34. INSECTICIDES. Rep. Patman inserted an article, "The Story of Insecticides," outlining the story of chemical insecticides and their effects on the human body. pp. A5244-5
35. STATEHOOD. Extension of remarks of Rep. Miller, Nebr., summarizing the history of Alaska and urging action on proposed Alaska statehood legislation. pp. A5249-51
36. INTEREST RATES; ELECTRIFICATION. Rep. Johnson criticized the proposed increase in REA loans and inserted various Dairyland Power Cooperative resolutions urging "stable and fair interest rates." pp. A5255-6

BILLS INTRODUCED

37. WHEAT QUOTAS. H.R. 8455 and H.R. 8456, by Rep. Anfuso, to amend the Agricultural Adjustment Act of 1938, as amended, to exempt certain wheat producers from liability under the act where all the wheat crop is fed or used for seed or food on the farm; to Agriculture Committee.

AMENDING SECTION 22 OF THE INTERSTATE COMMERCE ACT, RELATING TO GOVERNMENT SHIPMENTS

JULY 1, 1957.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HARRIS, from the Committee on Interstate and Foreign Commerce, submitted the following

REPORT

[To accompany H. R. 3233]

The Committee on Interstate and Foreign Commerce, to whom was referred the bill (H. R. 3233) to amend section 22 of the Interstate Commerce Act, as amended, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert the following:

That section 22 of the Interstate Commerce Act, as amended (49 U. S. C., sec. 22), is amended as follows:

(a) By inserting "(1)" immediately after "Sec. 22."

(b) By striking out the words "nothing in this part" where they appear after the first semicolon and inserting the following: "except that the foregoing provisions of this section shall not apply to the carriage, storage, or handling of shipments of 'household goods' as defined by the Interstate Commerce Commission in Practices of Motor Common Carriers of Household Goods (17 M. C. C. 467) by duly authorized motor common carriers of household goods, when such carriage, storage, or handling is for the United States Government. Nothing in this part".

(c) By inserting at the end of such section the following:

"(2) All quotations or tenders under paragraph (1) of this section for the transportation, storage, or handling of property or the transportation of persons free or at reduced rates for the United States Government, or any agency or department thereof, including quotations for retroactive application whether negotiated or renegotiated after the services have been performed, shall be in writing or confirmed in writing and a copy or copies thereof shall be submitted to the Commission by the carrier or carriers offering such tenders or quotations in the manner specified by the Commission. Submittal of such quotations or tenders to the Commission shall be made concurrently with submittal to the United States Government, or any agency or department thereof, for whose account the quotations or tenders are offered or for whom the proposed services are to be rendered.

Such quotations or tenders shall be preserved by the Commission for public inspection. The provisions of this paragraph shall not apply to any quotation or tender which, as indicated by the United States Government, or any agency or department thereof, to any carrier or carriers, involves information the disclosure of which would endanger the national security."

PURPOSE OF BILL

The bill as introduced amends section 22 of the Interstate Commerce Act (a) so as to limit its application with respect to reduced rates on government traffic to times of war or national emergency, and (b) to provide that agreements between governments and carriers for reduced rates under the section shall be binding upon the parties except for fraud, deceit, or clerical error.

The bill as amended and reported by the committee would amend section 22 only as to (a) above and does so in much more restricted fashion than the introduced bill; namely, (1) that the shipments of household goods by motor common carriers for the account of the Federal Government no longer would be subject to reduced rate agreements—i. e., henceforth they would move at regularly established published rates—and (2) that all tenders and quotations for the movement of goods and passengers for the account of the Federal Government submitted under section 22 must be filed with the Interstate Commerce Commission and here available for public examination, except for such as the disclosure of which might endanger national security.

The bill as amended and reported by the committee does not include (b) above relating to the finality of rate agreements with the Government for reasons described below.

HEARINGS

Hearings on the bill were held in conjunction with hearings on certain other bills having to do with ratemaking and routes for surface transportation.

In addition to the Interstate Commerce Commission which sponsored the bill as carrying out its recommendation No. 3 in its 70th annual report to the Congress, numerous shipping and certain carrier organizations appeared in support of the bill. The Bureau of the Budget, the Comptroller General, the Department of Defense, the General Services Administration, and certain carrier organizations expressed opposition to the bill. In addition, certain witnesses indicated a given position as to limiting the extent of reduced rates as provided by paragraph (a) of the introduced bill and a different position concerning the finality of rate agreements contained in paragraph (b) of the introduced bill.

BACKGROUND

Section 22 of the Interstate Commerce Act provides that nothing contained in part I of the act (which part deals with the regulation of railroads, certain water carriers, oil pipelines, and express and sleeping-car companies engaged in interstate commerce)—

shall prevent the carriage, storage, or handling of property free or at reduced rates for the United States, State, or municipal governments, * * * or the transportation of persons for the United States Government free or at reduced rates, * * *.

The provisions of section 22 are also made applicable to common carriers by motor vehicle by section 217 (b), to common carriers by water by section 306 (c), and to freight forwarders as to transportation or service in the case of property by section 405 (c) of the Interstate Commerce Act.

Section 22 of the Interstate Commerce Act, so far as it applies to Government traffic, has been in the act substantially as it now stands since the original Act to Regulate Commerce was enacted in 1887. At that time, the Government was a comparatively small shipper and small user of the passenger facilities of the carriers. In recent years, however, Government use of freight and passenger facilities has increased enormously. During World War II, the Federal Government was by far the largest single shipper and the largest user of passenger service in the United States. The same is true today.

Up until 1946, the Government had the benefit of land-grant rates which undoubtedly limited the use of section 22 agreements. Those railroads which had been granted land by the Federal Government were required by the land-grant laws to carry Government freight at 50 percent of the published tariff rate on the land-grant portion of the line. Railroads which received no land grant whatever from the Government, in order to compete for Government traffic, entered into rate-equalization agreements, under authority of section 22, by which they undertook to handle Government traffic at the same rate applying by law on the land-grant lines. From 1898 to 1902, some 100 railroads had entered into such agreements and from 1901 to 1946, these rate-equalization agreements were in force by almost all important railroads except the New England lines.

In order to participate to a greater extent in military traffic, the motor carriers during World War II also submitted rate-equalization agreements whereby they agreed to equalize the lowest rail net land-grant rates. The so-called equalization agreements remained in effect until the repeal of the land-grant statute in 1946. During this period there also were many individual tenders quoting specific rates under section 22 which were not a part of the equalization agreements, such tenders being employed rather than formal tariff publications.

With the repeal of the land-grant statute, section 22 became the main vehicle through which special rates have been obtained by the Government.

While the provisions of section 22 were enacted at a time when the Government of the United States was a very small user of transportation facilities, today the United States Government has become the largest single shipper. Accordingly, as far as Government traffic is concerned, section 22 has enabled the Government agencies, particularly the Department of Defense, to negotiate rates directly with carriers for the carriage of property and personnel without requiring the carriers to conform to the provisions of section 6 of the Interstate Commerce Act and the Commission's rules and regulations promulgated thereunder requiring the publication and filing of tariffs with the Commission and strict adherence to the published tariff rates. Evidence of the keen interest among carriers in obtaining Government traffic is evinced by the more than 19,000 rate tenders under section 22 submitted to the military departments during the calendar year of 1955.

DISCUSSION

Inasmuch as the bill as introduced provided for 2 amendments to the act which are separable and independent of one another and the bill as reported provides for 2 amendments distinct in nature, discussion of the bill as introduced and the bill as reported follows under three headings: (1) The arguments for and against the elimination of the reduced rate provision on all traffic for the account of governments and the substitute reported by the committee; (2) the reported amendment providing that henceforth the shipment of household goods by motor common carriers for the account of the Federal Government no longer would be subject to reduced rate agreements under section 22; and (3) the deferring of consideration of the finality of reduced rate agreements.

Arguments advanced for repeal of section 22

During the hearings many witnesses advocated that section 22 be amended so as to limit its application with respect to reduced rates on Government traffic only to times of war and national emergency and thus, in effect, require Government traffic in peacetime to move at published tariff rates. It is their contention that one of the important reasons for the enactment of the Act to Regular Commerce in 1887 was to stop the railroads—which then had a practical monopoly of public transportation—from discriminating in favor of big shippers and against small shippers. The scope and purpose of the act has been expanded since that time, but the antidiscrimination provisions of the law remain of basic importance. Nevertheless, the provisions of section 22, which authorize a carrier to offer reduced rates on Government shipments, in effect, authorize discrimination in favor of the world's biggest shipper and against the smaller users of transportation.

It is their contention that in effect the fact that the Federal Government traffic moves largely at reduced rates under section 22 means a higher cost for regulated transportation services of commercial users to whom such reduced rates are not available. The policy of permitting the Government to move its traffic without regulation is unfair to the commercial shipper because the Government's low rates are in effect a subsidy made up by commercial shippers in the form of higher rates to them.

They further argue that as the United States Government controls such a large freight and passenger business, certain of its transportation officers play off 1 carrier against another, or 1 mode of transportation against another, with the result that the carriers engage in destructive competition for this traffic through such encouragement to reduce the lawful rates and fares in their published tariffs.

Arguments advanced against repeal of section 22

The Department of Defense during the last Congress expressed opposition to H. R. 525, a bill reported by the committee, which would have completely eliminated this provision for reduced rates for Government traffic. It has expressed its opposition to H. R. 3233 even though the provision for securing reduced rates was retained during times of war or national emergency. The Department's contention is that the same conditions which require special provisions

for the handling and movement of military traffic in time of war or national emergency exist in peacetime, and that it is only the volume of traffic that varies.

In summary the Department of Defense contends that through the use of section 22 (a) reasonable rates, fares, and charges, and rules and regulations may be established economically and expeditiously without the delay of the normal regulatory processes; (b) retroactive applications may be authorized where justified; (c) cancellation of quotations may be accomplished quickly and economically when the need for the quotations no longer exists; (d) there is no section 4 inhibition upon the Department's using rates over circuitous routes; and (e) security as to the movement of highly classified materials can be more effectively provided.

In addition, the Department of Defense contends that rates negotiated between the carriers and the Department pursuant to section 22 are fully compensatory to carriers and do not place a burden upon commercial shippers.

This assertion it supports by reports of the Bureau of Transport Economics and Statistics of the Interstate Commerce Commission for August, September, and December, 1955, which show that the average level of section 22 quotations was about 13 percent above the corresponding level of commodity rates on comparable (but not identical) traffic. In the recent *Western Class Rate* cases (296 I. C. C. 555), involving Mountain Pacific interstate and interterritorial rail traffic, the record shows that the car-mile earnings on section 22 traffic were considerably higher than the car-mile earnings on commodity and "exceptions" rates. A study made by the Interstate Commerce Commission in the above-cited cases indicated that section 22 traffic actually had but a negligible impact on the Nation's total traffic.

It also refers to Interstate Commerce Commission Statement No. MS-1, year 1955 showing average earnings of 61 cents per car-mile for 146 commodity classes comprising all rail carload manufactured and miscellaneous traffic for the calendar year 1955. A study of Army traffic prepared by the Transport Economics Division, Military Traffic Management Agency, covering exactly the same commodity groups (Nos. 501 through 799) moving under section 22 rates during the fiscal year 1956 shows that the average earnings were \$1.75 per car-mile. The latter study was prepared on the same statistical basis as the former, and includes commodities which comprise more than 95 percent of all Army section 22 rail traffic. Moreover, the section 22 traffic moved an average of 738 miles per car, whereas the same commodities moving for all shippers average only 528 miles per car. It is well established, of course, that shorter hauls cost the carrier more per mile to perform than do longer hauls.

In this last contention that rates accorded the Government under section 22 are no lower than comparable commodity rates granted industrial users, the Department is joined by the Association of American Railroads, which is in opposition to repeal of this section. The railroads additionally content that as long as unregulated means of transportation are available to the Government, and until the railroads are given opportunity to utilize their natural advantages in competition with other regulated carriers, section 22 should be available to the railroads to allow them to compete for Government business.

The committee substitute

The testimony concerning the level of rates received by the Federal Government under section 22 is conflicting. A number of witnesses contended that the Government received rates lower than rates on comparable commercial traffic and the Chairman of the Interstate Commerce Commission stated that "the Government is receiving an unfair advantage" though he had no data to support this opinion. At the same time, the Department of Defense referred to certain studies by the Interstate Commerce Commission showing that some of the section 22 rates had averaged higher than commodity rates for similar commercial traffic.

On the other hand, it is difficult to observe the full cogency of the Department of Defense arguments that its section 22 rates are not below the corresponding level of commodity rates on comparable commercial traffic when the Department contends that the elimination of its privilege to secure reduced rates under section 22 in peacetime would have cost the Government last year an additional \$128 million.

It is obvious at this time from the record that a conclusive determination cannot be made of the extent to which the Federal Government is receiving rates lower than comparable commodity rates would be or what additional cost to the taxpayer in the form of higher transportation charges might arise through the repeal of section 22 or a limitation of its use to times of war or national emergency.

Accurate information should be assembled on these points by the agencies concerned. At the same time the section 22 quotations or tenders which the Federal Government receives should be available for public examination, except insofar as national security might be concerned, so that both shipper and competing carriers might have the same knowledge of these transactions as they do of regularly published tariff rates.

Your committee, therefore, recommends in lieu of H. R. 3233, as introduced, that a new paragraph be added to section 22 which would require carriers to submit to the Interstate Commerce Commission copies of section 22 quotations submitted to agencies and departments of the Federal Government, so that here such quotations and tenders would be available for public examination. From the public files of such quotations or tenders the Commission, Government agencies, and other groups having an interest in section 22 appropriately should make studies to determine the actual results of the use of section 22.

Inasmuch as far and away the largest user of reduced rates under this section permitting reduced rates by various governments is the Government of the United States, the committee at this time has considered only the matter of Federal traffic.

Movement of household goods by motor common carriers

For many years, the Movers Conference of America, an organization having a membership of approximately 4,000 motor common carriers of household goods, has petitioned the Congress to amend section 22 of the Interstate Commerce Act so as to eliminate the use of this section by carriers in the movement of household goods of Government personnel. The basis for this petition was that the use of section 22 quotations for the movement of household goods has led to a chaotic condition in the moving van industry characterized by depressed rates, destructive competitive practices, and inferior quality of service rendered to the Government and its personnel.

The Senate and House committees of the Congress having legislative jurisdiction over this have considered this matter on several occasions. On June 2, 1952, the Senate Committee on Interstate and Foreign Commerce reported favorably on S. 2653, a bill to standardize the rates on household goods shipped by the Federal Government for its employees (82d Cong., 2d sess., S. Rept. 1625). The reported bill provided that section 22 of the Interstate Commerce Act shall not apply to the carriage, storage, or handling of shipments of "household goods" as defined by the Interstate Commerce Commission in *Practices of Motor Common Carriers of Household Goods* (17 M. C. C. 467), when such carriage, storage, or handling is for the United States Government.¹ This bill could not be brought up for Senate action before the adjournment of the 82d Congress. Again, during the 83d Congress, on July 14, 1954, the Senate Committee on Interstate and Foreign Commerce reported favorably on S. 904, a similar bill to the one it reported in the 82d Congress (83d Cong., 2d sess., S. Rept. 1803, to accompany S. 904). This bill failed to pass on the Senate Consent Calendar, and was not reached for regular consideration prior to the adjournment of the 83d Congress. In the 84th Congress, the House Committee on Interstate and Foreign Commerce, after lengthy hearings, reported favorably on H. R. 525, a bill to amend section 22 of the Interstate Commerce Act (84th Cong., 2d sess., H. Rept. 2633, filed on July 6, 1956). The purpose of this bill was to prohibit common carriers from granting reduced rates for the transportation of United States Government property or personnel, except in certain minor respects, such as armed services personnel traveling at their own expense while on furlough. This bill, likewise, failed to get floor action prior to the adjournment of the 84th Congress.

During the hearings before the Transportation and Communications Subcommittee of your Committee on Interstate and Foreign Commerce last year, the witness, Anthony F. Arpaia, Chairman of the Interstate Commerce Commission, speaking for the entire Commission, had this to say in favor of abolishing section 22 quotations for Government shipments of household goods:

MR. ARPAIA. In the case of household goods, the situation is probably so bad that some quotations have been as low as 25 to 50 percent of the published rates, and there is tremendous competition that has brought those rates down very low, and, of course, the average person who moves household goods will have to make it up. And you see household goods move for the inexperienced shipper, the average householder, who has not had too much experience with moving traffic. It is very difficult and a very trying thing, and those rates are high, and are going up because of the tremendous burden due to many movements of household goods for Government personnel at extremely low rates, as Congressman Hinshaw has pointed out. (Hearings before a subcommittee of the Committee on Interstate and Foreign Commerce, House of Representatives, 84th Cong., 2d sess., on H. R. 6141 et al., pt. I, p. 299.)

¹As thus defined, the term "household goods" means personal effects and property used or to be used in a dwelling when a part of the equipment or supply of such dwelling; furniture, fixtures, equipment and the property of stores, offices, museums, institutions, hospitals, or other establishments when a part of the stock, equipment, or supply of such stores, offices, museums, institutions, hospitals, or other establishments; and articles, including objects of art, displays, and exhibits, which because of their unusual nature or value require specialized handling and equipment usually employed in moving household goods (17 I. C. C. Reports, Motor Carrier Cases, 467, 505).

Last year, the Movers Conference of America testified before the Committee on Interstate and Foreign Commerce that 3 out of 5 military installations move all of their household goods shipments at section 22 rates, and that 4 out of 5 military installations move 80 percent of their household goods at such rates. Motor carriers which were unwilling to handle such shipments at below their published tariff rates were eliminated from participation in the military traffic, in most instances.²

Data furnished by the Director for Transportation, Communications, and Petroleum Policy of the Office of Assistant Secretary of Defense show that during fiscal year 1956 the Department of Defense paid approximately \$113,585,000 to all carriers for the transportation of household goods and personal effects of Army, Navy, Air Force, and Marine Corps personnel within the United States. Of this amount \$98,721,000 was paid for line-haul transportation and \$14,864,000 was paid for accessorial services (packing, crating, etc.). Approximately \$60,474,000, or 61.3 percent of the total amount paid for line-haul transportation, was paid to motor van carriers. Approximately \$38,247,000, or 38.7 percent of the total, was paid to all other carriers of household goods.

Of the amount spent on line-haul transportation \$16,469,000, or 16.7 percent, was paid at the regular published tariff rates while \$82,252,000, or 83.3 percent, was paid under section 22 rates. Motor van carriers received 72.8 percent of the total amount paid under section 22 rates. All other carriers received 27.2 percent of the total amount paid under section 22 rates.

In the case of household goods' shipments under section 22 rates, the liability for loss and damage is the same as for shipments moving under published tariff rates. Motor-van carriers assume a liability of 30 cents per pound, and rail and motor freight carriers assume a liability of 10 cents per pound.

While the Movers Conference of America did not testify at the hearings this year with respect to H. R. 3233, the committee is convinced that sufficient information has been developed during previous hearings on this legislation to justify the amendment here proposed with respect to the movement of household goods by motor common carriers.

The Office of the Assistant Secretary of Defense has advised this committee that the repeal of section 22 privileges with respect to the movement of household goods by all carriers, if enacted, would involve an additional transportation cost to the Department of Defense of some \$12 million a year, of which amount approximately 90 percent would be payable to motor van carriers. The Movers Conference of America has, in previous year, contended that such additional transportation costs are largely illusory, because the elimination of section 22 privileges on household goods would result in substantial savings to the Government, by reducing, if not entirely eliminating, the large number of additional personnel and administrative expenses including loss and damage claims directly traceable to the efforts to purchase transportation of household goods at the cheapest rates. The committee believes there is much merit to this contention.

² Hearings, op. cit., pt. 2, pp. 908, 909.

A letter from the Office of the Assistant Secretary of Defense relating to the movement of household goods under section 22 is included in the appendix to this report.

Civilian officers and employees of the Federal Government, under Executive Order 9805, issued under the act of August 2, 1946, Public Law 600, 79th Congress (60 Stat. 806; 5 U. S. C. 73b), make their own arrangements directly with the carriers concerned for the transportation of their household goods and personal effects on transfers between points in the continental United States. They are reimbursed on a commuted basis at rates contained in this Executive order.

A letter from the General Services Administrator describing the method of handling the shipment of household goods for civilian employees of the Federal Government is included in the appendix to this report.

Finality of rate agreements

The purpose of the second proposed amendment to section 22 in the bill as introduced—which is independent of the enactment of the first amendment—was to enable appropriate Government agencies and the carriers to negotiate rates on a firm and unassailable basis. This measure would have amended section 22 to provide that after a quotation or contract had been agreed to or accepted by the Federal or any State or municipal government, the rates so established would be conclusively proved to be just, reasonable, and otherwise lawful, and not subject to attack or reparation except for actual fraud or deceit or clerical mistake.

This amendment has been presented to the committee in various forms during recent years, particularly since in the so-called Government reparation cases the Government took the position that its utilization of charges established under section 22 was not a bar to its later undertaking to obtain still lower charges as a result of commercial orders entered after the filing of complaints by the Government.

An earlier bill, S. 906 (83d Cong.), relating to the finality of agreements under section 22 was passed by both Houses but vetoed by the President on the ground that the Government should not be put in a position inferior to that of the general shipping public for whom the statute of limitations for initiating an appeal to the Commission to determine the lawfulness of a rate is 2 years.

Inasmuch as this matter is completely independent of the question of movement of Government goods at reduced rates, the committee defers consideration of it at this time.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

SECTION 22 OF THE INTERSTATE COMMERCE ACT, AS AMENDED
(49 U. S. C. 22)

RESTRICTIONS

SEC. 22. (a) That nothing in this part shall prevent the carriage, storage, or handling of property free or at reduced rates for the United States, State, or municipal governments *during time of war or national emergency, as declared by Congress or the President*, or for charitable purposes, or to or from fairs and expositions for [exhibition] *exhibitions* thereat, or the free carriage of destitute and homeless persons transported by charitable societies, and the necessary agents employed in such transportation, or the transportation of persons for the United States Government free or at reduced rates *during time of war or national emergency*, or the issuance of mileage, excursion, or commutation passenger tickets; nothing in this part shall be construed to prohibit any common carrier from giving reduced rates to ministers of religion, or to municipal governments for the transportation of indigent persons, or to inmates of the National Homes or State Homes for Disabled Volunteer Soldiers and of Soldiers' and Sailors' Orphan Homes, including those about to enter and those returning home after discharge, under arrangements with the boards of managers of said homes; nothing in this part shall be construed to prohibit any common carrier from establishing by publication and filing in the manner prescribed in section 6 reduced fares for application to the transportation of (a) personnel of United States armed services or of foreign armed services, when such persons are traveling at their own expense, in uniform of those services, and while on official leave, furlough, or pass; or (b) persons discharged, retired, or released from United States armed services within thirty days prior to the commencement of such transportation and traveling at their own expense to their homes or other prospective places of abode; nothing in this part shall be construed to prevent railroads from giving free carriage to their own officers and employees, or to prevent the free carriage, storage, or handling by a carrier of the household goods and other personal effects of its own officers or employees when such goods and effects must necessarily be moved from one place to another as a result of a change in the place of employment of such officers or employees while in the service of the carrier, or to prevent the principal officers of any railroad company or companies from exchanging passes or tickets with other railroad companies for their officers and employees; and nothing in this part contained shall in any way abridge or alter the remedies now existing at common law or by statute, but the provisions of this part are in addition to such remedies; nothing in this part shall be construed to prohibit any common carrier from carrying any totally blind person accompanied by a guide or seeing-eye dog or other guide dog specially trained and educated for that purpose, or from carrying a disabled person accompanied by an attendant if such person is disabled to the extent of requiring such attendant, at the usual and ordinary fare charged to one person, under such reasonable regulations as may have been established by the carrier: *Provided*, That no pending litigation shall in any way be affected by this part: *Provided further*, That nothing in this part shall prevent the issuance of joint interchangeable five-thousand-mile

tickets, with special privileges as to the amount of free baggage that may be carried under mileage tickets of one thousand or more miles. But before any common carrier, subject to the provisions of this part, shall issue any such joint interchangeable mileage tickets with special privileges, as aforesaid, it shall file with the Interstate Commerce Commission copies of the joint tariffs of rates, fares, or charges on which such joint interchangeable mileage tickets are to be based, together with specifications of the amount of free baggage permitted to be carried under such tickets, in the same manner as common carriers are required to do with regard to other joint rates by section six of this part; and all the provisions of said section six relating to joint rates, fares, and charges shall be observed by said common carriers and enforced by the Interstate Commerce Commission as fully with regard to such joint interchangeable mileage tickets as with regard to other joint rates, fares, and charges referred to in said section six. It shall be unlawful for any common carrier that has issued or authorized to be issued any such joint interchangeable mileage tickets to demand, collect, or receive from any person or persons a greater or less compensation for transportation of persons or baggage under such joint interchangeable mileage tickets than that required by the rate, fare, or charge specified in the copies of the joint tariff of rates, fares, or charges filed with the Commission in force at the time. The provisions of section ten of this part shall apply to any violation of the requirements of this proviso. Nothing in this part shall prevent any carrier or carriers subject to this part from giving reduced rates for the transportation of property to or from any section of the country with the object of providing relief in case of earthquake, flood, fire, famine, drought, epidemic, pestilence, or other calamitous visitation or disaster, if such reduced rates have first been authorized by order of the Commission (with or without a hearing); but in any such order the Commission shall (1) define such section, (2) specify the period during which such reduced rates are to remain in effect, and (3) clearly define the class or classes of persons entitled to such reduced rates: *Provided*, That any such order may define the class or classes entitled to such reduced rates as being persons designated as being in distress and in need of relief by agents of the United States or any State authorized to assist in relieving the distress caused by any such calamitous visitation or disaster. No carrier subject to the provisions of this part shall be deemed to have violated the provisions of such part with respect to undue or unreasonable preference or unjust discrimination by reason of the fact that such carrier extends such reduced rates only to the class or classes of persons defined in the order of the Commission authorizing such reduced rates.

(b) *Notwithstanding any other provision of law, any rates, fares, and charges, and rules, regulations, and practices with respect to the transportation of persons or the carriage, storage, or handling of property for or on behalf of the United States, or with respect to the carriage, storage, or handling of property for or on behalf of any State or municipal government, by any common carrier, including freight forwarders, subject to part I, II, III, or IV of this Act, offered, negotiated, or established under the provisions hereof by quotation or contract when accepted or agreed to by the Secretary of Defense, the Secretary of Agriculture, or the Administrator of the General Services Administration, or by any official*

or employee of the United States to whom they may delegate such authority, or, in the case of transportation services performed for State or municipal governments, when accepted or agreed to by a duly authorized official or employee thereof, shall be conclusively presumed to be just, reasonable, and otherwise lawful, and shall not be subject to attack or reparation after the date of such acceptance or agreement upon any grounds whatsoever except for actual fraud or deceit, or clerical mistake. Such rates, fares, or charges, and rules, regulations, or practices, may be canceled or terminated upon not less than ninety days' written notice by the United States, or State or municipal government, or by any of the other parties thereto.

(c) Any such rates, fares, or charges, rules, regulations, or practices so made and accepted under the provisions hereof shall not be considered to have any bearing upon, or otherwise affect, the justness, reasonableness, or lawfulness of any rates, fares, or charges, or of any rules, regulations, or practices with respect to transportation services theretofore performed for, or on behalf of, the United States, State or municipal governments, nor shall the provisions of this section be construed as any indication that similar rates, fares, or charges or similar rules, regulations, or practices theretofore effective were or were not binding upon or enforceable against the United States, or any State or municipal government.

APPENDIX

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE,
SUPPLY AND LOGISTICS,
Washington 25, D. C., June 26, 1957.

Hon. OREN HARRIS,
House of Representatives.

DEAR MR. HARRIS: The following information is provided in response to your letter of June 15, 1957, concerning H. R. 3233, a bill to amend section 22 of the Interstate Commerce Act:

1. Of the \$128 million a year which it was estimated enactment of H. R. 3233 would mean to the Department of Defense in additional transportation costs, approximately \$12 million would be attributed to the movement of household goods.

2. Approximately \$113,584,900 was paid to carriers in fiscal year 1956 for the transportation of household goods and personal effects of Army, Navy, Air Force, and Marine Corps personnel within the United States, as follows:

A. Line haul transportation-----	\$98, 720, 800
(1) Mode of transportation:	
(a) Motor van carriers-----	60, 473, 700
(b) All others-----	38, 247, 100
(2) Type of rate:	
(a) Tariff-----	16, 468, 900
(b) Section 22-----	82, 251, 900
1. Motor van carriers-----	\$59, 868, 963
2. All others-----	22, 382, 937
B. Accessorial services-----	14, 864, 100

3. In the case of shipments moving under section 22 rates, the liability for loss and damage is the same as for shipments moving under tariff rates. That is, motor van carriers assume a liability of 30 cents per pound and rail and motor freight carriers assume a liability of 10 cents per pound. Also, under the Military Personnel Claims Act (10 U. S. C. 2732), as amended, the Government may, under certain circumstances, reimburse members up to \$6,500 for loss of and damage to their personal property.

4. The packing of household goods for movement in "loose form" by motor van carriers or freight forwarders is done by the carrier. Packing of shipments for movement by general freight carriers is done by the Government or by contractors.

The figures cited in (1) and (2) above are estimates, based on representative samplings of bills of lading.

Please let us know if we can be of further assistance.

Sincerely yours,

EARL B. SMITH,
*Director for Transportation,
Communications, and Petroleum Policy.*

GENERAL SERVICES ADMINISTRATION,
Washington, D. C., June 27, 1957.

HON. OREN HARRIS,
*Chairman, Committee on Interstate and Foreign Commerce,
House of Representatives, Washington, D. C.*

DEAR MR. CHAIRMAN: I received your letter of June 15 asking for certain information relative to amounts spent annually by the General Services Administration on the shipment of household goods.

Executive Order 9805, issued under the act of August 2, 1946, Public Law 600 (60 Stat. 806; 5 U. S. C. 73b), provides that in lieu of the payment of actual expenses of transportation, packing, crating, temporary storage, drayage, and unpacking of household goods and personal effects in the case of transfers between points in the continental United States, reimbursement shall be made to the employee on a commuted basis at the rates contained in the order. This Executive order further states that Government bills of lading shall not be used for these shipments, and applies only to civilian officers and employees. As a result, General Services Administration does not directly ship any household effects.

Under the provisions of Executive Order 9805, all arrangements for transportation and accessorial services for household goods and personal effects on transfers between points in the continental United States will be made by the Government employee directly with the carrier or other firm providing the services. It is, therefore, the responsibility of the employee to recover the amount of any damage to this property, which may occur in movement, from the proper carrier or other interested firm. Accordingly, the Government is not liable for damages to these shipments, and no such payments are made. The Government employee also arranges for the packing of household goods through the medium of the individual contract executed with the common carrier.

Inasmuch as the Government employee makes all arrangements, the General Services Administration cannot furnish all the information requested.

We can, however, advise the committee that in fiscal year 1956, General Services Administration employees were reimbursed a total of \$28,873 for the shipment of household goods.

Sincerely yours,

FRANKLIN G. FLOETE, *Administrator.*



Union Calendar No. 240

85TH CONGRESS
1ST SESSION

H. R. 3233

[Report No. 677]

IN THE HOUSE OF REPRESENTATIVES

JANUARY 17, 1957

Mr. HARRIS introduced the following bill; which was referred to the Committee on Interstate and Foreign Commerce

JULY 1, 1957

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To amend section 22 of the Interstate Commerce Act, as amended.

- 1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 ~~That section 22 of the Interstate Commerce Act, as amended~~
4 ~~(49 U. S. C. 22), is hereby further amended as follows:~~
5 ~~(a)~~ By changing the first clause of the first sentence
6 thereof to read as follows: "That nothing in this part shall
7 prevent the carriage, storage, or handling of property free
8 or at reduced rates for the United States, State, or munici-
9 pal governments during time of war or national emergency,
10 as declared by Congress or the President, or for charitable

1 purposes, or to or from fairs and expositions for exhibitions
2 thereat, or the free carriage of destitute and homeless per-
3 sons transported by charitable societies, and the necessary
4 agents employed in such transportation, or the transporta-
5 tion of persons for the United States Government free or
6 at reduced rates during time of war or national emergency,
7 or the issuance of mileage, excursion, or commutation pas-
8 senger tickets;" and

9 (b) By inserting after the section designation the
10 letter "(a)", and by adding at the end of the section the
11 following:

12 "(b) Notwithstanding any other provision of law, any
13 rates, fares, and charges, and rules, regulations, and prac-
14 tices with respect to the transportation of persons or the
15 carriage, storage, or handling of property for or on behalf
16 of the United States, or with respect to the carriage, storage,
17 or handling of property for or on behalf of any State or
18 municipal government, by any common carrier, including
19 freight forwarders, subject to part I, II, III, or IV of this
20 Act, offered, negotiated, or established under the provisions
21 hereof by quotation or contract when accepted or agreed
22 to by the Secretary of Defense, the Secretary of Agriculture,
23 or the Administrator of the General Services Administra-
24 tion, or by any official or employee of the United States to
25 whom they may delegate such authority, or, in the case of

1 transportation services performed for State or municipal
2 governments, when accepted or agreed to by a duly author-
3 ized official or employee thereof, shall be conclusively pre-
4 sumed to be just, reasonable, and otherwise lawful, and shall
5 not be subject to attack or reparation after the date of such
6 acceptance or agreement upon any grounds whatsoever
7 except for actual fraud or deceit, or clerical mistake. Such
8 rates, fares, or charges, and rules, regulations, or practices,
9 may be canceled or terminated upon not less than ninety
10 days' written notice by the United States, or State or
11 municipal government, or by any of the other parties
12 thereto.

13 “(e) Any such rates, fares, or charges, rules, regu-
14 lations, or practices so made and accepted under the pro-
15 visions hereof shall not be considered to have any bearing
16 upon, or otherwise affect, the justness, reasonableness, or
17 lawfulness of any rates, fares, or charges, or of any rules,
18 regulations, or practices with respect to transportation serv-
19 ices theretofore performed for, or on behalf of, the United
20 States, State or municipal governments, nor shall the pro-
21 visions of this section be construed as any indication that
22 similar rates, fares, or charges or similar rules, regulations,
23 or practices theretofore effective were or were not binding
24 upon or enforceable against the United States, or any State
25 or municipal government.”

1 That section 22 of the Interstate Commerce Act, as amended
2 (49 U. S. C., sec. 22), is amended as follows:

3 (a) By inserting "(1)" immediately after "SEC. 22".

4 (b) By striking out the words "nothing in this part"
5 where they appear after the first semicolon and inserting the
6 following: "except that the foregoing provisions of this sec-
7 tion shall not apply to the carriage, storage, or handling
8 of shipments of 'household goods' as defined by the Inter-
9 state Commerce Commission in Practices of Motor Common
10 Carriers of Household Goods (17 M. C. C. 467) by duly
11 authorized motor common carriers of household goods, when
12 such carriage, storage, or handling is for the United States
13 Government. Nothing in this part".

14 (c) By inserting at the end of such section the following:

15 "(2) All quotations or tenders under paragraph (1) of
16 this section for the transportation, storage, or handling of
17 property or the transportation of persons free or at reduced
18 rates for the United States Government, or any agency or
19 department thereof, including quotations for retroactive ap-
20 plication whether negotiated or renegotiated after the services
21 have been performed, shall be in writing or confirmed in
22 writing and a copy or copies thereof shall be submitted to the
23 Commission by the carrier or carriers offering such tenders
24 or quotations in the manner specified by the Commission.
25 Submittal of such quotations or tenders to the Commission

1 shall be made concurrently with submittal to the United States
2 Government, or any agency or department thereof, for whose
3 account the quotations or tenders are offered or for whom the
4 proposed services are to be rendered. Such quotations or
5 tenders shall be preserved by the Commission for public
6 inspection. The provisions of this paragraph shall not apply
7 to any quotation or tender which, as indicated by the United
8 States Government, or any agency or department thereof,
9 to any carrier or carriers, involves information the disclosure
10 of which would endanger the national security.”

85TH CONGRESS
1ST Session

H. R. 3233

[Report No. 677]

A BILL

To amend section 22 of the Interstate Commerce Act, as amended.

By Mr. HARRIS

JANUARY 17, 1957

Referred to the Committee on Interstate and Foreign
Commerce

JULY 1, 1957

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 18, 1957
For actions of July 17, 1957
85th-1st, No. 126

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HIGHLIGHTS: House debated mutual security authorization bill. House Rules Committee cleared bill to provide budgeting on accrued expenditure basis.

HOUSE

1. FOREIGN AID. Continued debate on S. 2130, the mutual security authorization bill. (pp. 10842-71, 10872-73, 10876-77). Agreed, 106 to 100, to an amendment by Rep. Bentley, as an amendment to a committee amendment, to reduce the authorization for defense support from \$700 million to \$500 million, which included a discussion as to whether additional funds from the sale of surplus commodities under Public Law 480 could be used for defense support purposes. The committee amendment, as amended, was agreed to 87 to 74. (pp. 10865-71)
2. ~~BUDGETING; TRANSPORTATION; GRANTS-IN-AID.~~ The Rules Committee reported resolutions for consideration of the following measures: p. 10879
~~H.R. 8002, to provide for the stating of appropriation estimates on an accrued expenditure basis.~~
H.R. 3233, to amend Sec. 22 of the Interstate Commerce Act so as to provide for transportation of Federal property free or at reduced rates.
H. Res. 312, to create a select committee to conduct an investigation of Federal grants-in-aid (H. Rept. 823), with amendment.
3. PUBLIC WORKS; PUBLIC BUILDINGS. The Public Works Committee ordered reported the following bills: p. D664
S. 497, with amendment, the rivers and harbors and flood control bill.

S. 2261, with amendment, to amend and extend the Public Buildings Purchase Contract Act of 1954, as amended, and to require certain distribution and approval of new public building projects.

4. ELECTRIFICATION; RECLAMATION. The Interior and Insular Affairs Committee voted to proceed to consideration of H.R. 5, to authorize construction of the Hells Canyon Dam. p. D663

The Public Works Committee ordered reported H.R. 8643, to authorize the construction of certain works of improvement in the Niagara River for power. p. D664

5. VIRGIN ISLANDS; CIVIL DEFENSE. The Government Operations Committee approved the following reports: Operations of the Virgin Islands Government and the Virgin Islands Corporation, and Status of Civil Defense Legislation (Eighth Report by the Committee on Government Operations). p. D663

6. SMALL BUSINESS. Rep. Zablocki discussed the condition of small businesses and urged the passage of legislation for its relief. pp. 10874-75

7. RECORDS; PROPERTY. Both Houses received from GSA a proposed bill entitled "A bill to amend section 507 and subsection 602 (a) of the Federal Property and Administrative Services Act of 1949, as amended" (regarding records and surplus property); to Government Operations Committee. pp. 10774, 10879

SENATE

8. APPROPRIATIONS. Sens. Ellender and Flanders were appointed as additional conferees on H.R. 7665, the Defense Department appropriation for 1958. p. 10788

9. WHEAT. Received from the N.D. Legislature a resolution urging a revision of the laws and regulations governing acreage control of durum wheat farmers to encourage the production of more durum wheat. p. 10774

10. FARM PROGRAM. Sen. Langer inserted a resolution of the Grant County, N.D., Farmers Union, urging payment for the soil bank based on the historical acres rather than the allotted acres, with a maximum of \$5,000 for such payments or for commodity loans. p. 10775

11. ELECTRIFICATION. Sen. Langer inserted a resolution of the Lower Yellowstone Rural Electric Ass'n, Mont., opposing any increase in REA interest rates (p. 10775), and the minutes of the Verendrye Electric Cooperative, N.D., with resolutions opposing "dishonest" private power company advertising, affirming their support of the preference clause, opposing any increase in REA interest rates, supporting a Federal dam in Hells Canyon, and urging the President to appoint new TVA board members carefully (p. 10776).

12. FEED GRAINS. The Department's recent report to Congress, "Possible Methods of Improving the Feed-Grain Program," includes a recommendation "that the price of corn be supported in the same manner as prices of other feed grains, namely, oats, barley, and grain sorghums. Under this proposal there would be no acreage allotments for corn or the other feed grains."

13. STATEHOOD. Sen. Kuchel urged passage of the bills to admit Hawaii and Alaska into the Union, and inserted an editorial "Overdue Statehood." p. 10795

CONSIDERATION OF H. R. 3233

JULY 17, 1957.—Referred to the House Calendar and ordered to be printed

Mr. TRIMBLE, from the Committee on Rules, submitted the following

R E P O R T

[To accompany H. Res. 320]

The Committee on Rules, having had under consideration House Resolution 320, reports the same to the House with the recommendation that the resolution do pass.



85TH CONGRESS
1ST SESSION

H. RES. 320

[Report No. 824]

RESOLUTION

Providing for the consideration of H. R. 3233,
a bill to amend section 22 of the Interstate
Commerce Act, as amended.

By Mr. TRIMBLE

JULY 17, 1957

Referred to the House Calendar and ordered to be
printed

4.

~~Agreed to Resolution For~~

13. **TRANSPORTATION.** ~~Began~~ consideration of H.R. 3233, to amend the Interstate Commerce Act to provide that shipments of household goods by motor common carriers for the account of the Federal Government no longer would be subject to reduced rate agreements and would be subject to established published rates. pp. 11730-33

The Interstate and Foreign Commerce Committee reported without amendment S. 943, to amend the Interstate Commerce Act so as to require contract carriers by motor vehicle to file with the ICC their actual rates or charges for transportation services (H. Rept. 895). p. 11753

14. **POLITICAL ACTIVITIES; PERSONNEL.** Both Houses received from the Civil Service Commission, "A bill to amend certain provisions of the act entitled 'An act to prevent pernicious political activities', approved August 2, 1939, as amended, and for other purposes"; to House Administration and Senate Rules and Administration Committees. pp. 11651, 11752

15. **PROPERTY.** Both Houses received from HEW a report covering personal property made available for distribution to public health and educational institutions and civil defense organizations, and all real property disposed of to public health and educational institutions from Apr. 1 through June 30, 1957. pp. 11651, 11752

The Public Works Committee reported with amendment S. 2261, to amend and extend the Public Buildings Purchase Contract Act of 1954 so as to require certain distribution and approval of new public building projects (H. Rept. 894). p. 11753

ITEMS IN APPENDIX

16. **STATEHOOD.** Del. Burns inserted an article which shows the position of the press from widely scattered sections of the country in favor of statehood for Hawaii and Alaska. p. A6096

17. **FOREIGN AID.** Rep. McCormack inserted his press release stating that "unless President Eisenhower shows firmness and direct activity with his own party, the mutual assistance appropriation bill will be reduced a considerable amount..." pp. A6099-700

18. **FEDERAL-STATES RELATIONSHIP.** Rep. Michel discussed the beginning of a series of hearings to be held by the H. Government Operations Committee and inserted an Ill. General Assembly resolution pointing up the need for reviewing and re-assessing the whole structure of Federal-State-local relationships, particularly with reference to so-called grants-in-aid. p. A6104

19. **INFORMATION.** Rep. Hillings inserted an article, "The Congressional Quest for Information," discussing some of the problems facing Congressmen in their efforts to obtain information on governmental affairs from the various departments. p. A6105

20. **FARM PROGRAM.** Rep. McGregor inserted Rep. Harvey's address discussing farm problems, including suggested alternate approaches to a corn and feed grain program. pp. A6110-1

21. **SOIL BANK.** Rep. Udall further discussed the case of the farmer who participated in the soil bank program while at the same time planting "penalty" cotton, and inserted correspondence with this Department on the subject. pp. A6111-2

22. POULTRY. Rep. Knutson discussed problems of poultry farmers and stated "I have seen no evidence that the Department of Agriculture has taken any steps whatsoever, of a serious nature, to do anything about it," and inserted correspondence from a constituent on this subject. pp. A6115-6
23. FOOD ADDITIVES. Rep. Knutson inserted a statement by Jack T. Jennings, Ass't Director of the Cooperative League of the United States of America, on the use and dangers of additives in foods. pp. A6118-9
24. SMALL BUSINESS. Rep. Patman inserted an editorial criticizing the failure of Congress to enact small business legislation. p. A6077
25. INFLATION. Sen. Kefauver inserted an editorial on inflation and its control. pp. A6070-1
26. ELECTRIFICATION. Sen. Neuberger inserted an editorial, "A Reply to Mr. Eisenhower," criticizing the President's letter urging the defeat of the Hells Canyon dam bill. pp. A6072-3
Rep. Westland inserted a letter from the President on the administration power policy and the Hells Canyon dam bill. p. A6083
Rep. Engle inserted a column, "Public Power Takes Beating," on the recent developments on Hells Canyon and the Fryingpan-Arkansas projects. pp. A6114-15
Sen. Kefauver inserted a letter from a constituent banker urging continuation of the present TVA program. p. A6069
Rep. Loser inserted an editorial urging careful study of the views of Mr. Arnold R. Jones before confirming him as TVA board member. pp. A6113-14
27. FAMILY FARM. Rep. Marshall inserted a letter to the editor criticizing attempts to switch farmers to city employment on the grounds that the death of the family farm would mean the end of many small communities which ought to be preserved. pp. A6077-8
28. DISASTER LOANS. Rep. Trimble inserted an editorial criticizing the Department for not relaxing FHA loan regulations in disaster areas. pp. A6085-6
Rep. Knutson inserted a constituent's letter urging emergency ACP payment of \$5 an acre to recondition flooded lands. p. A6113
Rep. Lane inserted a telegram from Gov. Furcolo of Mass. quoting his telegram to the President urging that Mass. be declared a disaster area. p. A6118
29. REORGANIZATION. Rep. Bass inserted two editorials urging action of Hoover Commission recommendations. p. A6087
Rep. Boland inserted three editorials supporting Hoover Commission reforms and especially accrued expenditure budgeting and accounting. p. A6109
30. BUDGETING. Rep. Fascell inserted an editorial favoring accrued expenditure budgeting. pp. A6087-8
Rep. Thompson, N.J., inserted two editorials favoring accrued expenditure budgeting. pp. A6106-7
31. ROADS. Rep. Cramer inserted an address in which he reported on the progress of the national highway system. pp. A6089-91
Rep. Westland inserted an article on the highway program in Wash.. p. A6113

It is easy to imagine the calamity which could have befallen this area if the period of cold weather had persisted for only the few weeks which would have been necessary in order completely to exhaust the limited upstream storage behind those two dams.

These facts and their economic consequences have rendered it absolutely impossible for the informed citizens of this region to understand what your examiner can possibly be talking about when he reaches the unsupported conclusion that the need for upstream storage in the Pacific Northwest does not have "quite the urgency or the seriousness * * * which the staff found."

The other enclosure entitled "Downstream Power Benefits of the Hungry Horse Project" is a graphic example of the enormous benefits and economies of the upstream dams which provide sizable amounts of useable storage. The enclosure is self-explanatory and shows quite simply not only the power developed at the site of Hungry Horse Dam itself but also shows the firm power made possible at the downstream dams by controlled releases of water from Hungry Horse. The totals are shown as 212,000 kilowatts generated at the site of Hungry Horse Dam and 628,000 kilowatts of additional power directly attributable to Hungry Horse developed at the downstream dams.

This means that by building a 212,000 kilowatt dam the public receives 840,000 kilowatts as the total benefit from the construction of that dam.

To put it another way, the building of 1 Hungry Horse Dam made possible the power output of 4 Hungry Horse dams.

If there is a better investment opportunity for the people of the United States than the building of high capacity storage dams upstream from their existing power investments, I do not know what it could possibly be.

Once again, on behalf of the Government and people of the State of Oregon I ask that the matter of the pending application of Pacific Northwest Power Co. be reopened for the introduction of engineering and economic testimony by the present administrations of the States of Oregon and Washington.

Very truly yours,

HOWARD MORGAN,
Commissioner.

And I read from Commissioner Morgan's letter to the Federal Power Commission under date of July 26, 1957.

Mr. Speaker, I am joining with Commissioner Morgan and Governor Holmes in urging that this hearing be reopened for the introduction of this new testimony. In doing so I wish to emphasize the point made by Commissioner Morgan in his telegram to the Federal Power Commission when he said:

Neither the private power companies nor the general public can sustain much longer the failure to develop the largest possible amount of upstream storage in the Columbia Basin.

Commissioner Morgan also made the point—an important point in my opinion—that much valuable and relevant information was not presented to the examiner and therefore is not in the record because the hearings were concluded before the new State administrations in Oregon and Washington were sworn into office in January of 1957. Neither State protested the company's proposals at the hearings.

When the people of both these States spoke last November—and voted in administrations unafraid to speak for all the people—they also had a right to ex-

pect that their voices would be heard by the executive branch of the National Government—and, specifically, that the facts not brought to the examiner's attention would then be admitted.

It is to make the people's decisive voice heard—to bring before the Federal Power Commission all the facts—to break this conspiracy of silence which would decide matters on the basis of only part of the facts, that I am joining in this request to the Federal Power Commission that the hearings be reopened.

The action we request is essential if the great natural resources, which are the heritage of the people of all Oregon and of all the Nation, are to be saved for development on behalf of all the people and not be exploited for the benefit of the few.

THE SCHOOL CONSTRUCTION LEGISLATION

(Mr. McCARTHY asked and was granted permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. THOMPSON of New Jersey. Mr. Speaker, will the gentleman yield?

Mr. McCARTHY. I yield.

Mr. THOMPSON of New Jersey. A moment ago the gentleman from Iowa [Mr. GROSS] asked if either the gentleman from Arizona [Mr. UDALL] or I had contacted the gentleman from Indiana [Mr. HALLECK] with reference to this matter. The gentleman from Arizona [Mr. UDALL] answered he had called and found Mr. HALLECK not available. My staff called the gentleman from Indiana [Mr. HALLECK] this morning and was informed that he was not present. My remarks referring to the motion in the RECORD do not in any way reflect on the integrity of Mr. HALLECK and were not so intended.

Mr. McCARTHY. Mr. Speaker, I would like to comment on the votes which are in the RECORD, to say that I do not think that the fact that Mr. HALLECK or Mr. ARENDS voted to strike the enacting clause on the educational aid bill is necessarily a vote against the President.

Mr. HOFFMAN. Mr. Speaker, I make a point of order that it is not in order for one Member to comment on what another Member did in the House.

The SPEAKER pro tempore (Mr. McCORMACK). The gentleman will proceed in order.

Mr. McCARTHY. This might be interpreted as a vote in favor of the President since it saved him from the embarrassment of having the Republicans go on record for the Ayres substitute which we were told the President was for.

NO REASON TO BE DISCOURAGED

(Mr. HOFFMAN asked and was granted permission to proceed for 1 minute and to revise and extend his remarks.)

Mr. HOFFMAN. Mr. Speaker, would I be in order if I commented on how Members voted on the school-aid legislation?

The SPEAKER pro tempore (Mr. McCORMACK). The Chair will state that until the time arises in the course of the gentleman's remarks, or in any other gentleman's remarks, when some other Member raises the parliamentary question, the Chair feels it is not the duty of the Chair to pass on any comment at this time.

Mr. HOFFMAN. Mr. Speaker, does this come out of my 1 minute?

The SPEAKER pro tempore. No; the Chair will give the gentleman a long minute.

Mr. HOFFMAN. I thank the Speaker, and I will take a chance on this being in order or out of order. It is pretty hard to tell just when one is in order; what one cannot properly and within the rule say.

I have been trying to follow the Eisenhower administration. I have been trying very, very hard, not that it is such a task if one can fully understand the policy advocated.

If I understand the situation, the gentleman from Illinois [Mr. ARENDS], who is here and who is very helpful to all of us, the gentleman from Indiana [Mr. HALLECK], and the gentleman from Illinois [Mr. ALLEN], have certain definite long-held convictions.

Each votes in accordance with his convictions. If that is a sin many of us will have to change our ways. Yet, having voted as they think they should and as their people wish, our delightful friends on the other side, our Democratic colleagues, the New Dealers, the internationalists, the giveaway Democrats, and the long-haired boys—they used to be called that, not in the House, I mean, but outside—they criticize our distinguished colleagues because of the vote each cast last week. It is rather discouraging, I am sure, to those who stay by their convictions to be criticized for so doing.

In my opinion—I do not know very much sometimes about what is going on, and I have been accused of being ignorant and stubborn instead of wise and consistent—whether there is any difference between those two positions I do not know—it would seem that the three should be congratulated instead of criticized. But apparently we cannot do anything which our friends, the opposition will approve. Mr. Speaker, I know I am a little bit out of order. May I suggest to the Members on the other side of the aisle that we hope you will be a little more lenient when we disagree with your views on a specified bill, especially when you yourselves are not united. I know you are all Christians, charitable and willing to overlook minor faults; so instead of criticizing our leaders on this side just take it out on the rank and file. Some of us do not care or at least we will not be too deeply grieved by your fault finding.

It is absurd to charge the failure of the Federal aid to school construction bill to the lack of support by the President, or to the fact that three of the party's leaders in the House did not go down the line in support of the bill. The vote came on a motion to strike the enacting clause of the bill, to which the Powell amendment had first been added, then

stricken with the section. The vote came before the Ayres amendment was voted on, and it came before a House in which there was a substantial majority opposed to Federal aid for the construction of school buildings.

In most of the Midwestern States, the people want no part of any program calling for Federal aid to education or for the participation of the Federal Government in the operation of an educational program.

They realize that if the Federal Government ever gains control of an educational program, their schools will be susceptible to infiltration by the Communists—as has previously happened in some Government activities.

Moreover, the Fourth Congressional District of Michigan, at least, certainly is solving the so-called educational problem—and they can see no reason why they should be called upon to subsidize the schools in other States. The thinking of the Fourth Congressional District is very accurately illustrated by an editorial written by Mark P. Haines, of the Sturgis Journal, and printed on July 26, 1957, and which reads as follows:

GOOD RIDDANCE

A bill which would have provided grants of \$2.4 billion in Federal aid for schools was killed in the House Thursday by a close vote of 208 to 203. This action dooms such legislation at this session of Congress, but it is certain to be brought up again by the advocates of the welfare state. The defeat of this proposal will be welcomed by the people of Michigan, which of all the 48 States, has the least to gain and the most to lose by Federal aid to schools.

Under the proposed plan Michigan would be entitled to \$11.9 million and would be assessed \$16.9 million in Federal taxes. In contrast, a State like North Carolina would receive \$11.8 million in grants for school construction and would pay in taxes only \$4.3 million.

Just why Michigan should be asked to subsidize a State like North Carolina is hard to understand. North Carolina is not a mendicant State and has a prosperous economy.

It is significant that North Carolina and several other States that would benefit by Federal aid to schools are now boasting of their low tax rates to attract industries from States like Michigan where taxes are higher. North Carolina on June 20 took a full page advertisement in the Wall Street Journal to proclaim "North Carolina Reduces Taxes." The advertisement read in part:

"For 25 years North Carolina has maintained one of the most stable tax structures in the Nation. It is closing the current fiscal year with a credit balance of \$63 million. It has levied no new taxes, and has brought individual income taxes into line with many Federal provisions.

"This has been done without sacrificing State services. To the contrary, its educational system is being improved by increasing teachers' salaries 15 percent and salaries of other employees by 11 percent. It is investing \$40 million in capital improvements at its institutions in the next 2 years."

Michigan would be forced to pay \$5 million more than it would receive in benefits. North Carolina would get \$7.5 million more in school grants than it would be asked to pay in taxes.

Michigan's tax structure has been under fire recently because of the excessive burden which it places on industry. There is no doubt that the State is overtaxed as compared with other States due to an inequita-

ble distribution of State funds to schools, cities and townships by means of the ill-advised tax diversion plan which leaves the State only 0.32 cent of every dollar collected in taxes to spend on general government. This has turned out to be a tremendous handicap and has made it necessary for the State to resort to all kinds of schemes to augment its income. The State legislature in its last session had to impose additional taxes on liquor and cigarettes to raise a supplementary \$25 million to meet the needs of the schools.

Michigan has always supported its public schools generously. In physical plant and educational standards the State's schools rank with the best in the Nation. There is no evidence that capital cannot be obtained through the usual sources to finance additional new school building without paying the Federal Government a premium of \$5 million for the use of our own money.

This Federal school aid bill is just another crocodile looking for a juicy tax morsel which would be disgorged in part to the various States. Sturgis has reason to know that Federal tax grants can be excessively costly through its experience in building an addition to the hospital.

Michigan wants no part of Federal aid to schools.

The so-called liberals who, to a great extent, being in control of Federal activities, think they know more about what the people want than the people themselves—and who, apparently, know little of the facts of life—have not as yet convinced the sound-thinking people of the Midwest that it would be advisable to turn over to the bureaucrats the education of their children.

The people of the Midwest realize that the Federal Government has no money except what it collects from the taxpayer. They know the Federal Government is wasteful. They know that it is extravagant. They know that the bureaucrats are conceited—and that more than one cannot see the end of his own nose, much less beyond it.

They want less not more control from bureaucrats.

The SPEAKER pro tempore. The time of the gentleman from Michigan has expired.

SUPERINTENDENT OF HOUSE DOCUMENT ROOM

The SPEAKER pro tempore. The Chair recognizes the gentleman from Oklahoma.

Mr. ALBERT. Mr. Speaker, I offer a privileged resolution.

The Clerk read as follows:

House Resolution 378

Resolved, That, effective August 1, 1957, the basic compensation of the Superintendent of the House Document Room shall be at the rate of \$7,000 per annum, and the additional amount required to carry out this resolution shall be paid out of the contingent fund of the House until otherwise provided by law.

Mr. MARTIN. Mr. Speaker, reserving the right to object, I understand this is the same rate of compensation the late Mr. Lewis received.

Mr. ALBERT. The gentleman is correct.

Mr. MARTIN. Mr. Speaker, I withdraw by reservation of objection.

The resolution was agreed to, and a motion to reconsider was laid on the table.

AMENDING SECTION 22 OF INTERSTATE COMMERCE ACT

Mr. TRIMBLE. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 320) providing for the consideration of H. R. 3233, a bill to amend section 22 of the Interstate Commerce Act, as amended, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3233) to amend section 22 of the Interstate Commerce Act, as amended, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Interstate and Foreign Commerce now in the bill and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

CALL OF THE HOUSE

Mr. HESELTON. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 155]

Adair	Evins	Magnuson
Alexander	Farbstein	Maillard
Anfuso	Fino	Miller, N. Y.
Ashley	Flood	Multer
Ayres	Fogarty	Norrell
Bailey	Ford	O'Hara, Minn.
Baker	Forrester	O'Konski
Barden	Frelinghuysen	Osmers
Barrett	Gary	Patterson
Beamer	Gray	Philbin
Bentley	Green, Pa.	Pilcher
Boykin	Griffin	Powell
Brooks, La.	Gwinn	Preston
Brownson	Halleck	Riehlman
Buckley	Hardy	Robeson, Va.
Bush	Healey	Rogers, Mass.
Celler	Hemphill	Santangelo
Chudoff	Holtzman	St. George
Corbett	Jarman	Sheehan
Coudert	Jones, Mo.	Taber
Cunningham,	Kearney	Taylor
Nebr.	Kelly, N. Y.	Teller
Davis, Ga.	Kilburn	Utt
Dawson, Ill.	Lanham	Walter
Denton	Lennon	Westland
Diggs	McConnell	Wigglesworth
Dollinger	McCulloch	Wilson, Ind.
Dooley	McIntosh	Yates
Dorn, N. Y.	McMillan	Zablocki
Eberharter		

The SPEAKER pro tempore. On this rollcall 339 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

Mr. TRIMBLE. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN] and now yield myself such time as I may require.

Mr. Speaker, House Resolution 320 provides for the consideration of H. R. 3233, a bill to amend section 22 of the Interstate Commerce Act, as amended. The resolution provides for an open rule, waives points of order, makes in order the consideration of the committee substitute as an original bill for the purposes of amendment, and provides 2 hours of general debate.

The bill, as amended and reported by the Committee on Interstate and Foreign Commerce, amends section 22 of the Interstate Commerce Act to provide that the shipments of household goods by motor common carriers for the account of the Federal Government no longer would be subject to reduced rate agreements and would, therefore, if the bill is enacted into law, move at regularly established published rates.

The bill further provides that carriers must submit to the Interstate Commerce Commission copies of section 22 quotations submitted to agencies and departments of the Federal Government and so be available for public examination, except where such disclosure might endanger national security. In this way both the shipper and competing carriers will have the same knowledge of these transactions as they do of regularly published tariff rates.

Since there has been some controversy and differences of opinion concerning the provisions of this bill, the Rules Committee has provided ample time for debate. I urge the adoption of House Resolution 320, so the House may proceed with the consideration of H. R. 3233.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. TRIMBLE. I yield.

Mr. GROSS. I understand that this rule provides for the waiving of all points of order.

Mr. TRIMBLE. That is correct. It does. The reason for that is, if the gentleman has a copy of the bill before him, that all after the enacting clause was stricken out and a completely new bill is substituted. Therefore, there was some question as to its germaneness.

Mr. GROSS. As I recall it, this is the fifth consecutive bill to come to the floor with a rule waiving all points of order. I wonder when we are going to get a bill for consideration by the House under a completely open rule.

Mr. TRIMBLE. Sometimes I wonder about that myself, but we feel it is wiser when there is some question as to the germaneness to submit the whole bill to the full membership of the House rather than submit it to the technical objection of only one Member.

The SPEAKER pro tempore (Mrs. GRIFFITHS). The Chair recognizes the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may require.

I do not know of anyone who is against this rule or against the bill itself. It is my understanding, however, that the gentleman from Arkansas [Mr. HARRIS] will offer an amendment which I believe to be a good amendment and which I hope will be supported by a majority of the membership of this House.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. McCORMACK. For the information of the House, after the rule is agreed to, it is not the intention to go into Committee of the Whole on this bill today, but we will do so tomorrow.

I wanted the House to be advised of that.

Mr. ALLEN of Illinois. I thank the gentleman.

It is my understanding the amendment which will be offered by the gentleman from Arkansas [Mr. HARRIS] will enable the Government, particularly the Defense Department, to enter into agreements with common carriers, I mean voluntary agreements, in order to get a preferential rate. We all know that has been the practice for many years, whereby the Federal Government, particularly the Defense Department, who hauls a very large amount of freight, has been receiving lower rates than private industry. It is my understanding that the Government, as a consequence of these voluntary agreements, has saved tens of millions of dollars. I believe this is necessary, because some hold that it violates the provisions of the Clayton Act. So I hope the amendment offered by the gentleman from Arkansas will be agreed to.

I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

(Mr. HOFFMAN asked and was granted permission to revise and extend his remarks.)

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to proceed out of order.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, the Republicans should not be too greatly disturbed even though the Congressional Quarterly says that the majority leader, the gentleman from Massachusetts [Mr. McCORMACK], supports the administration 95 percent.

Mr. McCORMACK. Will the gentleman yield? The last one was 79 percent.

Mr. HOFFMAN. Well, I regret very, very much that the President seems to be losing that valued support. He must have been right in the first place—that is, the President, not the gentleman from Massachusetts.

True, there has been a little difference of opinion on the Republican side in our political philosophy or political policy. Apparently some on the Democratic side think that we should support the President all the time whatever may be our own connections. But our Government, as I understand it, is a representative

republican form of government, in which Members are elected by districts; represent districts, and vote in accordance with what the people of their own district want, provided the national security or the welfare of our people is not adversely involved.

Whether duty to the district and State or to the Republic comes first seems to have been settled to a certain extent by the War between the States.

Last week when the Federal aid to school construction bill was voted down, there was a great deal of criticism in the newspapers from the Democratic side because it was said some did not support the President. But before that there was criticism of the President himself. The comment was that the President should have cracked the whip and let us feel it, so that we would get into line and on that issue do whatever he wanted.

I can recall some years ago, when President Roosevelt was in office—and by the way, one of these days I will try to put into the Record the statement he made in a speech in New York when he was Governor, where he gave so much good advice, which was at once forgotten and repudiated after he was elected President—when rubberstamp Congressmen were not too highly regarded. But we on our side I think should have a little credit for voting our convictions—that is, if we have any, and I assume we have by the way we vote. Nevertheless, some critics came along and the President was castigated because he did not come down here and give us orders. Then insist that we vote just as he directed. Had he done so I will ask my friend the gentleman from Michigan [Mr. MEADER], who sits in the second row: What do you think would have happened? And I yield for him to answer. I am asking the gentleman for information because he is an outstanding constitutional lawyer and political seer on the Republican side so far as Michigan is concerned. What do you think our Democratic friends would have said if the President had said: "You vote this way, or that way, or else"?

If the gentleman does not care to answer, and evidently he does not—I will be glad to answer for him. "The President would have been accused of being a dictator."

The President has said he did not want any rubberstamp, yes-man Congressmen. He undoubtedly meant it. So far as he is concerned he does not have a rubberstamp Congress and seems quite well satisfied on that point. At least he does not have an outfit which loudly boasts of its support and then when the votes are counted is all for public ownership and the liquidation of business through Government competition.

Apparently on the civil-rights bill he was sold a bill of goods like some of the rest of us. If you will pardon a personal reference, I think I am a fair lawyer—at least, that is, in my own opinion. I read the civil-rights bill, and I thought that it was a bill of the party leadership on both sides to catch the vote of minority groups and little else. I did not re-

alize until it was over in the Senate, and then I read it again. Learned that it was an attempt to give the Attorney General arbitrary power to usurp the functions of the courts and of the Congress; I had never thought of that—anyone would be so bold as to even suggest such a bill. It may be possible that the President was likewise sold a bill of goods, that he did not understand everything there was in the civil-rights bill, and that after it went over to the Senate, and they began to talk about it he learned for the first time just what was cooking and wanted some revisions which would protect civil rights, which obviously would be denied if the bill became law.

What happened on that one, and on the school bill because he did not go all out and say: "Now listn. You fellows up there on the Hill, if you do not do just as I am telling you, you do not get any patronage, you do not get any appointments, you do not get anything at all." No one really knows, though we can all guess.

In one case the House may have wanted the support of minority groups—in the other the House may have wanted to protect the States and local government.

Listen to this from the morning's paper, listen to this—and let me say to the majority leader who has honored me by staying here, the gentleman from Massachusetts, Mr. McCORMACK, and to others who have been talking about the civil rights bill, and the claim that the President has lacked force in pushing the school bill, you gentleman who are against the President's injecting himself into the course of legislation on the Hill; would be the first to yell if he did. Here is the criticism from a morning paper. You Republicans listen to this, too:

For he is a man—

This is a terrible charge; the writer was commenting on the President's action or lack of action—

For he is a man with an instinct for remaining above the battle and tendency, unfortunate in a politician, to see both sides of every question.

The SPEAKER pro tempore. The time of the gentleman from Michigan has expired.

(Mr. ALLEN of Illinois yielded to Mr. HOFFMAN 3 additional minutes.)

Mr. HOFFMAN. Now, is not that a terrible course for a President to follow? Just mind his own business and let us attend to ours? If he did not he would be charged with trying to run Congress. Let me read it again:

For he is a man with an instinct for remaining above the battle.

Why should he get into a legislative contest?

Well, there would be the same criticism if he got into it—

and a tendency, unfortunate in a politician, to see both sides of every question.

Is not that terrible? Is not that terrible? That comes from this morning's Washington Post. For a man to look at both sides of an issue. Is now a fault? Perhaps a crime? Shame on the writer of that article.

Mr. ALLEN of Illinois. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. Just let me say that that is probably what the gentleman from Illinois [Mr. ALLEN], the gentleman from Illinois [Mr. ARENDS], and the gentleman from Indiana [Mr. HALLECK] did. Look at all sides of the issue—follow their own judgment and convictions. The act of a statesman, not of a politician.

Mr. ALLEN of Illinois. Do I understand the gentleman to say that the President is being criticized because he did look at both sides of the question? That is just the same as we experience, some people criticizing us for not doing a certain thing and then when we go ahead and do it, we are criticized for doing it.

Mr. HOFFMAN. It is just the same as though the President were criticized today for having his eggs poached instead of boiled and then is criticized tomorrow because he had them boiled instead of poached. Some men are never satisfied. But we are not alone in that we do not always follow a leader. I recall when a vote was taken on the civil rights bill and the Members passed up the middle aisle between tellers; I will tell you what I saw. I saw the gentleman from Massachusetts [Mr. McCORMACK], if it is not unparliamentary or a violation of the rules to mention it, go down the aisle when the ayes were on and I saw the Speaker go down the same road when the noes were called. That was all right. That was intelligence, discernment or conviction. That was independence—statesmanship on the part of each—that was courage—but when we vote our convictions—oh boy.

Mr. TRIMBLE. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to speak out of order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, the assassination of Carlos Castillo Armas, President of Guatemala, is most unfortunate and is a sad blow to the progressive leadership in that country. His successor has announced his intentions of following the policies of the late president. His death by violence at the sudden and unexpected hands of one now known to be a Communist shows that 1 Communist in any country is 1 too many.

It shows what I have repeatedly stated in and out of the House that all who are real Communists are possessed of a world-killer mind. In the case of President Armas he was killed in the presence of Mrs. Armas by one of his own guards. One could assume that a bodyguard of anyone, particularly the head of a nation, is one who could be trusted and whose loyalty would be above reproach. While the newspaper reports today indicate the killer guard did so without any outside connections, meaning thereby with other Communists, it seems very doubtful to me that he would have assassinated President Armas unless he

had received instruction to do so from some higher Communist source. For Communists are well disciplined and they do not act unless they are given orders to do so.

It has been known for a long time that Communist activity has greatly increased in certain countries in South America, particularly in the Caribbean area, the very back door to our country. This policy of the Kremlin has been known for years. It subsided somewhat after Armas and his followers ousted the Communist regime forced on the people of Guatemala some 3 years ago. In the past 2 years, and particularly the past year, this activity has started up again.

It is my opinion that the assassination of President Armas is no isolated matter. The action on the part of the killer guard was not an isolated matter, but was one that was actuated by higher Communist influences. Not only must the situation in Guatemala be closely watched for other Communist efforts, but also in other countries, particularly in the Caribbean area. It would be a shocking revelation to the American people, with the knowledge that we have that our Government is trying to contain Communist moves in Europe, the Middle East and the Far East, to wake up and find among our own friendly neighbors to the south that Communist activities present a threat to those countries and thereby a threat to our own country. We must bear in mind that a primary question that we should know and we cannot overlook is always the national interest of our own country. It would certainly not be for the national interest of any of our neighbors to the south, and certainly not in our own national interest, first, to see any of our friends in Central or South America taken over by a Communist regime, either an outright Communist regime or a coalition; and second, stand by and see Communist activities threaten the existence of a neighboring country, with the intention of not actually taking over their government but to try to force our country to so intercede that they can propagandize and accuse our country elsewhere throughout the world of American imperialism. The assassination of President Armas is one that causes us to give careful consideration not only to that event but to what might later follow. It also should cause us to be very careful that within our own country we do nothing to incite actions within other countries in Central and South America that might be disadvantageous to their natural interests and at the same time disadvantageous to our own national interest.

Mr. BOGGS. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Louisiana.

Mr. BOGGS. I should like to commend the distinguished gentleman from Massachusetts upon the very splendid statement which he is making. It so happens that the area which I have the privilege of representing, the city of New Orleans, carries on very heavy trade with Guatemala, and we experienced intimately the difficulties when that country was dominated by a Communist

regime. And, I am quite certain that despite this dastardly act the Communists will not again come to power in Guatemala. I think the gentleman has performed a very fine service for American solidarity by making this statement.

Mr. McCORMACK. I thank the gentleman.

Mr. MORANO. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Connecticut.

Mr. MORANO. I want to compliment the majority leader for making the statement that he has made. I want to say to the House that I have prepared a House resolution which would express the sense of the House concerning the assassination of Castillo Armas, President Castillo Armas was a friend of freedom and a friend of liberty as well as a friend of the United States. He did the utmost to make his country and his people a free country and a free people. He had instituted programs designed to raise the standard of living for his people. He was making tremendous progress along those lines, and it comes with a great shock that his life should be snuffed out in such a brutal fashion when he was beginning to see the fruits of his labors for a better way of life and for a democratic Guatemala. And, I want to say further Mr. Speaker that in Central America and in South America the Red Chinese are working daily and vigorously. They have two teams, I am told, one cultural and the other economic, going through the countries of Latin America trying their best to infiltrate and penetrate the economic, cultural, and even the political life of Latin America. Just yesterday, according to early reports from the election in Argentina, the Communists will have doubled their vote. Now, we have got to do something, I believe, to be sure that we do not lose in our own backyard our friendly neighbors while we are trying to protect the rest of the countries of the world from the penetration of communism. I am hoping that the majority leader can do something about getting immediate action by the House on the resolution that I have prepared.

Mr. McCORMACK. I appreciate very much the remarks of the gentleman from Connecticut. The assassination of anyone is a dastardly act, but when we analyze and interpret the action of the assassination of the head of a government, it is more dastardly and it shows the evil intent of the Communists and the killer minds that they possess. They do not want to improve conditions in countries; they would rather have the people of Guatemala and other countries live under terrible conditions in order to bring about chaos and in order to carry out their intentions of world revolution and world domination. I cannot believe that the killing of this fine leader, this fine gentleman, was an isolated act, and that this guard did it upon his own. In my opinion, he got instructions from those higher up.

Mr. MORANO. Mr. Speaker, if the gentleman will yield further, if there were any further evidence needed, we certainly should know now that the Communists never give up. They will

never give up the fight, whether it be in Guatemala or any other part of Latin America, or in Europe, or Asia. They are out to win this fight by fair or foul means, any way they can. The Communists will try always to strike down freedom wherever it exists.

Mr. McCORMACK. The gentleman is absolutely correct.

Mr. MULTER. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from New York.

Mr. MULTER. Mr. Speaker, I wish to associate myself with the distinguished majority leader in the remarks that he has made. They are most apropos in calling our attention to this most regrettable incident. I hope that the gentleman's remarks and this very regrettable incident will have some effect on some of those in this country who disport themselves in such a way as to stir up acts such as this, amongst our friendly neighbors to the south. Everyone will admit that the Panama Canal is one of the keys to our national security and that friendly neighbors throughout this entire area are our best defense of the canal and of our national security.

Mr. McCORMACK. I agree with what the gentleman from New York has said.

Mr. FLOOD. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. Mr. Speaker, I, too, wish to join the distinguished majority leader and embrace the words he has spoken on this matter. I think the gentleman will agree with me, as will the House, that this calls to our mind the great service rendered in Guatemala at the time the deceased President came into the country, by our old friend Jack Peurifoy when he was our Ambassador in Guatemala. He had been with the Department of State. He was a great friend of all of us and especially of the distinguished majority leader and of myself. These troubled times in Guatemala endear us once more to the memory of a great American and a great Ambassador who served in troubled times in Guatemala, Jack Peurifoy.

Mr. McCORMACK. The gentleman is absolutely correct.

Mr. LONG. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Louisiana.

Mr. LONG. Mr. Speaker, I want to associate myself with the distinguished majority leader in the remarks that he has just made and to say that I think it behooves us here in the United States to look well to South America and Central America, to see to it that they remain a free and friendly people.

Mr. TRIMBLE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

up House Resolution 316 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the first sentence of the next to the last paragraph of H. Res. 99, 85th Congress, as amended, is amended by inserting immediately before the words "United States" the words "or outside."

Mr. TRIMBLE. Mr. Speaker, I yield 30 minutes of my time to the gentleman from Illinois [Mr. ALLEN].

Mr. Speaker, this resolution simply extends the authority granted to the Committee on Interstate and Foreign Commerce to travel. It adds the words "or outside." The chairman of the committee testified that this great committee has commitments in various places.

The rule was reported out unanimously.

Mr. Speaker, I have no further requests for time and reserve the balance of my time.

Mr. ALLEN of Illinois. Mr. Speaker, I reserve the balance of my time.

Mr. TRIMBLE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AIRWAYS MODERNIZATION ACT OF 1957

Mr. COLMER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 361 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 1856) to provide for the development and modernization of the national system of navigation and traffic control facilities to serve present and future needs of civil and military aviation, and for other purposes. After general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COLMER. Mr. Speaker, I yield the usual 30 minutes to the gentleman from Illinois [Mr. ALLEN] and yield myself such time as I may require.

Mr. Speaker, House Resolution 361 provides for the consideration of S. 1856, the so-called Airways Modernization Act of 1957. The resolution provides for an open rule and 1 hour of general debate on the bill.

Briefly, the proposed bill will create an Airways Modernization Board consisting of three members—a Chairman to be appointed by the President, with the advice and consent of the Senate, and the Secretaries of Defense and Commerce.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. TRIMBLE. Mr. Speaker, by direction of the Committee on Rules, I call

This Board will replace the Air Navigation Development Board which, in the past, has been less effective than was anticipated.

The principal function of the Board is intended to be one of research and development. It will have the authority and responsibility to coordinate all Government research and development, both civil and military, relative to air navigation and air-traffic control systems which are urgently needed to meet the demands made by the tremendous increase in air traffic.

The Board may make decisions by a majority vote and upon the unanimous decision of its members, with the approval of the President, is empowered to transfer to itself any functions, activities, and facilities of the Departments of Defense and Commerce which relate primarily to the developing and testing of devices for air navigation and air-traffic control.

Provision is made for the termination of the activities of the Board as of June 30, 1960. The bill, as amended by the Senate and reported by the House committee, declares that it is the sense of the Congress that a program for a new independent aviation agency be submitted to the Congress on or before January 15, 1959. If such an agency is established, it would take over the functions of the Board.

It is estimated that the Board's expenditures during fiscal 1958 would be approximately \$7 million, and of this amount about \$5½ million would be transferable from the Air Navigation Development Board.

I urge the prompt adoption of House Resolution 361.

Mr. Speaker, I have no requests for time. I understand the gentleman from Illinois has no requests for time. Is that right?

Mr. ALLEN of Illinois. Just one moment.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from Iowa.

Mr. GROSS. At last we have a resolution that does not waive points of order. I want to commend the gentleman and the Committee on Rules for at last giving us a rule that does not waive points of order.

Mr. COLMER. Permit me to say in response to that statement of my friend from Iowa that I am in real accord with the gentleman's philosophy on these rules, as he well knows. There would be more of that kind if I were not on the minority.

Mr. GROSS. I appreciate the gentleman's statement and I am sure my friend from Mississippi has fairly and frankly stated his position on this matter as he does on all others.

Mr. ALLEN of Illinois. Mr. Speaker, I ask unanimous consent that the gentleman from Delaware [Mr. HASKELL] be permitted to extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. HASKELL. Mr. Speaker, I certainly welcome the opportunity to speak today in support of this important piece of legislation, the airways modernization board bill.

This legislation was recommended by President Eisenhower as a primary development of his intensive study of the air traffic situation in the Nation. This will, as you know, create an independent agency responsible for developing and consolidating the requirements for future air traffic control systems to handle increased and higher speed air traffic which is just around the corner.

In studying our air traffic situation, it seems to me that we have two major areas of need. The first one is the need for immediate improvements in our present air traffic control system. I believe we in the Congress and in the executive branch should do all in our power to speed action at the Federal, State, and local levels, including private industry. The second important need is legislation which will provide for a long-range development of our air traffic control system in order to handle safely and speedily the increased traffic of the jet age and further to enable our military aviation to perform its defense and training missions adequately.

There is no question that our air traffic control system today is outdated and inadequate. The CAA is doing the best possible job with the outmoded equipment and techniques they have to use. We cannot afford to neglect these future problems again and find in 10 or 20 years that aviation technology had hopelessly outstripped our capacity to handle it safely and effectively.

The Airways Modernization Act of 1957, contrary to some thinking, does not delay the creation of a Federal aviation agency, an agency recommended in the Curtis committee report. The period of 3 years mentioned in this act was a maximum estimate of the time believed necessary to prepare and complete policy and management blueprints, and to draft and coordinate legislation or reorganization plans creating a Federal aviation agency. In all probability, proposals establishing a Federal aviation agency will provide for inclusion of the Airways Modernization Board as a research and development bureau.

Mr. Curtis recognized and reaffirmed the urgency of the immediate problems facing air traffic control and air navigation in the United States. The adjustment and improvement of the existing air traffic control system and navigation system of the United States remains the responsibility of the CAA, and was so recognized in Mr. Curtis' report. The proposed Airways Modernization Board will encourage and not impede the CAA in its solution of these immediate problems.

The Airways Modernization Board will be a research, development and testing agency in the field of aviation facilities. Its main functions will be to design and conduct field experiments which will expedite the development and selection of air traffic control systems required to serve the needs of civil and military aviation. I believe that im-

provement in research and development could be accomplished better by improved coordination between the Department of Commerce and Defense. The establishment of the Airways Modernization Board would help eliminate conflicts of the TACAN/VOR variety with the resulting wastage of tax dollars. This would greatly speed the introduction of needed navigational aids. The AMB will supplant a largely ineffective interagency committee known as the Air Navigation Development Board. The important objective to be gained would be that essential research and development be conducted in a framework of continuing civil-military cooperation.

The Airways Modernization Board is not designed to solve all the important problems facing us in Air Traffic Control. It is, however, designed to expedite the development and selection of air navigation systems and devices. The complete solution of the important problem of installation and operation will depend upon the implementation of other portions of Mr. Curtis's recommendations.

The Air Coordinating Committee is a non-statutory group and has not been equipped to fulfill its responsibility for developing and consolidating requirements for future systems. The TACAN/VOR controversy supplies ample proof that such intricate technical problems cannot be resolved at the conference table by agencies having unilateral and duplicative responsibilities. The Airways Modernization Board will provide a single responsible agency charged with system development and selection, thus getting at the heart of the cause of the TACAN/VOR type controversy.

Now as to cost. The cost of the Airways Modernization Board has been supplied in statements by the Bureau of the Budget in accordance with Public Law 801. The additional cost in 1958 is estimated not to exceed \$1.5 million, and during the life of this agency, will not exceed \$30 million per year. The Board's work is expected to eliminate duplicating and conflicting civil and military expenditures. And more important, the Board's work is expected to shorten the costly delay in providing a better and more modern system. This should result in substantial savings to the traveling public, who have gone from wheels to wings.

The creation of the Airways Modernization Board, despite some thinking to the contrary, does not conflict nor is it inconsistent with the Curtis recommendations for aviation organization. The fact is that Mr. Curtis recognized the need for commencing at once the time-consuming work of the development and selection process. He, therefore, recommended the saving of at least 1 year's time by the immediate establishment of the Airways Modernization Board as an interim measure pending the creation of a permanent Federal Aviation Agency. His report contemplates that the activities planned for the Airways Modernization Board will eventually be incorporated as a division in the permanent organization.

And finally, Mr. Speaker, I feel that we owe safe air travel to the millions of

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App

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Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 31, 1957
For actions of July 30, 1957
85th-1st, No. 135

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HIGHLIGHTS: House passed appropriation continuation measure; Senate committee reported this measure. House committee reported classified employee pay raise bill. Sen. Morse objected to unanimous consent request to bring up certain pending measures.

HOUSE

1. APPROPRIATIONS. Passed without amendment H.J. Res. 426, the continuing resolution to provide temporary appropriations for August pending the enactment of the remaining regular appropriation bills. pp. 11813, 11864
2. PERSONNEL. The Post Office and Civil Service Committee reported with amendment H.R. 2462, to increase the basic rates of compensation for Federal classified employees. p. 11864
3. TRANSPORTATION. Passed with amendments H.R. 3233, to amend the Interstate Commerce Act to provide that reduced rate agreements for the movement of government freight or passengers shall apply only in time of war or national emergency, and to finalize contracts made between the government and common carriers. (pp. 11813-33). Agreed to a committee amendment, as amended by an amendment by Rep. Dingell, to provide that carriers must file with the ICC and publish their actual rates that are below the regular rates to commercial shippers when bidding for Government shipments, and that nothing in the bill shall affect any prior litigation or cause for action. (pp. 11827-33).
The language of H.R. 3233 was substituted for the text of a similar bill, S. 939, which was then passed. H.R. 3233 was tabled. (p. 11847).
4. PUBLIC LANDS. Received from GAO a report on the review of the land acquisition and disposal policies and practices of the Corps of Engineers. p. 11864

5. RECLAMATION. Received from Interior a report on the Greater Wenatchee division, Chief Joseph Dam project, Wash. (H. Doc. 215). p. 11864
6. ROADS. The Public Works Committee reported without amendment S. 1941, to authorize the payment by the Bureau of Public Roads of transportation and subsistence costs to temporary employees on direct Federal highway projects (H. Rept. 943). p. 11864
7. GRANTS-IN-AID. Received an Ill. General Assembly resolution urging the review and reassessment of the Federal grants-in-aid program. p. 11865
8. PATENTS. The Judiciary Committee ordered reported with amendment H.R. 7151, to fix the fees payable to the Patent Office. p. D708
9. NATURAL RESOURCES. The Judiciary Committee ordered reported with amendment S.J. Res. 35, to authorize the commemoration of the 50th anniversary of the 1st conference of State governors for the protection of the natural resources of the U.S.. p. D709
10. HUMANE SLAUGHTER. Rep. Green, Ore., inserted an article favoring humane methods in the slaughtering of livestock. p. 11831
11. BUDGETING. Rep. Pelly urged the passage of H.R. 8002, to provide for the stating of appropriation estimates on an accrued expenditure basis. pp. 11849-50
Rep. Curtis, Mo., inserted a bulletin indicating the President favors the passage of H.R. 8002. p. 11852
12. COTTON; TEXTILES. Rep. Philbin urged "the President and the executive departments concerned to give consideration to the return to the one-price system for cotton under such conditions as will provide reasonable support and assistance to American cotton farmers and will eliminate the present tremendous economic disadvantages afflicting the American textile industry as the result of two-price cotton." pp. 11850-51

SENATE

13. APPROPRIATIONS. The Appropriations Committee reported without amendment H.J. Res. 426, continuing temporary appropriations through August (S. Rept. 771). p. 11757
14. STATEHOOD. The Interior and Insular Affairs Committee ordered reported with amendments S. 49, providing Alaskan statehood, and S. 50, providing Hawaiian statehood. p. D706
15. ELECTRIFICATION. Sen. Neuberger inserted his letter to the Federal Power Commission seeking to reopen licensing proceedings on Pleasant Valley and Mountain Sheep dams on the Snake River. pp. 11783-4
16. PERSONNEL. Sens. Neuberger, Johnston, and Yarborough requested consideration of the postal pay bill, which Sen. Johnson stated would be considered for inclusion when other legislation was brought before the Senate. pp. 11784-5
17. CLAIMS. Both Houses received from this Department a report on tort claims paid in fiscal year 1957. pp. 11756, 11864

and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, lines 6 to 9, strike the words "representing the amount reported by the United States Court of Claims to the Congress in response to House Resolution 309, 84th Congress, first session (Congressional No. 11-55, decided May 8, 1957)."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER pro tempore. That completes the call of the bills on the Private Calendar.

CALL OF THE HOUSE

Mr. MOSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 156]

Anfuso	Gary	Magnuson
Barden	Halleck	Mailliard
Beamer	Haskell	Miller, Calif.
Blich	Healey	Miller, N. Y.
Boykin	Hillings	O'Hara, Minn.
Brownson	Holifield	O'Konski
Bush	Holtzman	Pilcher
Cunningham,	Jensen	Powell
Nebr.	Jones, Mo.	Preston
Dawson, Ill.	Kearney	Riehlman
Denton	Kearns	Robeson, Va.
Durham	Kelly, N. Y.	Taylor
Farbstein	Kilburn	Walter
Fogarty	Landrum	Zablocki
Forrester	Lennon	Zelenko
Frelinghuysen	McMillan	

The SPEAKER pro tempore (Mr. McCORMACK). Three hundred and eighty-nine Members have answered to their names; a quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

CONTINUING RESOLUTION

Mr. CANNON. Mr. Speaker, by direction of the Committee on Appropriations, I ask unanimous consent for the immediate consideration of the resolution (H. J. Res. 426) continuing appropriations for another month.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri [Mr. CANNON]?

Mr. TABER. Reserving the right to object, Mr. Speaker, the continuing resolution, as I understand it, expires tomorrow night. It is necessary, if Government employees are going to be paid through the month of August, that we pass an amendment to the continuing resolution, so that those things will be taken care of.

I would like to ask the chairman of the committee if there is any change in this from the previous resolution that we passed a month ago?

Mr. CANNON. Mr. Speaker, the gentleman from New York [Mr. TABER] is correct in his analysis of the resolution. It now becomes evident that Congress will not adjourn tomorrow. That being true, it is necessary to have a continuing resolution in order to take care of the current expenses of the Government.

This resolution is identical with the resolution which we passed a month ago, with two exceptions, change of date of expiration to August 31; and, provision of \$300 million for the expenses of the Mutual Security program.

It is, of course, the usual stereotyped resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri [Mr. CANNON]?

There being no objection, the Clerk read the resolution, as follows:

Resolved, etc., That clause (c) of section 102 of the joint resolution of July 1, 1957 (Public Law 85-78), is hereby amended by striking out "July 31, 1957" and inserting in lieu thereof "August 31, 1957."

SEC. 2. The amount appropriated by subsection (b) of section 1 of such joint resolution for mutual security programs is hereby increased from "\$200,000,000" to "\$300,000,000."

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MISSING PERSONS ACT

Mr. BROOKS of Louisiana. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2449) to extend the effectiveness of the Missing Persons Act, as extended, until April 1, 1958.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana [Mr. BROOKS]?

Mr. MARTIN. Mr. Speaker, reserving the right to object, will the gentleman explain the reason for this request?

Mr. BROOKS of Louisiana. Mr. Speaker, several months ago the House passed H. R. 5807. That was a bill to make the Missing Persons Act permanent legislation. We approved it unanimously and sent it to the other body. The other body has not been able to get to it and consider it. In the meantime the Missing Persons Act has expired, and it must be extended for 1 year if we are to continue to take care of the families and survivors of those people who are in the missing-persons status at the present time.

Mr. MARTIN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 15, Missing Persons Act (56 Stat. 147, 1093), as amended, is further amended by deleting "July 1, 1957" and inserting in lieu thereof "April 1, 1958."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING SECTION 22 OF INTERSTATE COMMERCE ACT

Mr. HARRIS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3233) to amend section 22 of the Interstate Commerce Act, as amended.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 3233, with Mr. NATCHER in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the gentleman from Arkansas [Mr. HARRIS] will be recognized for 1 hour and the gentleman from New Jersey [Mr. WOLVERTON] for 1 hour.

The gentleman from Arkansas is recognized.

Mr. HARRIS. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the Committee on Interstate and Foreign Commerce brings to the House today for consideration H. R. 3233, a bill which would amend section 22 of the Interstate Commerce Act.

I hope I may have the attention of the Members, because, Mr. Chairman, this is a rather technical subject and I would like to get them to follow me as I try to describe this problem and remind them that if they do not, because of the technicalities of the subject, they will get lost and therefore will not be able to understand what the real issue is.

At the outset, the Interstate Commerce Act was adopted by the Congress in 1887. There were conditions existing at that time in the common carrier service, principally the railroads, which made it necessary in the interest of the public, for the Interstate Commerce Act to be adopted. That was the beginning of the regulatory procedures in this country. When the Interstate Commerce Act was adopted it included what was referred to as section 22, which authorized the common carriers to provide rates for passengers and freight at free or reduced rates for the Federal Government and for States and municipalities.

This section 22 has existed as a part of the Interstate Commerce Act since 1887. The legislative history shows that the reason for this provision was that in the consideration of that act, land-grant provisions existed whereby the Government granted to certain carriers substantial rights-of-way and lands included therewith.

Some 20 years ago there was a great urgency on the Congress to repeal the land-grant provision. During my service in the Congress that has been a constant question before the Committee on Interstate and Foreign Commerce. After several years of consideration, during the forties—I believe in 1946—the land-grant provision was repealed. It was alleged and contended at that time that all the benefits the Government had received from reduced rates as a

result of the land grants had well paid the Government for the justification of that provision of the act.

That left section 22 still as a part of the act, providing free or reduced rates to Government agencies, States and municipalities.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Texas.

Mr. ROGERS of Texas. To what extent were the States and municipal corporations allowed the reduced rates?

Mr. HARRIS. To the same extent as the Federal Government.

Mr. ROGERS of Texas. On any products or any commodities?

Mr. HARRIS. Yes.

Mr. ROGERS of Texas. I thank the gentleman.

Mr. HARRIS. Mr. Chairman, it is contended, and has been for some time, the Federal Government being the largest shipper and has been since World War II, that certain procedures have been practiced and permitted that were against the public, against the shippers, and should not be permitted. Those contentions are, Mr. Chairman, that a Government agency would go in secret and make an agreement with a particular carrier for reduced rates which agreement would be carried out and, therefore, no other common carrier would have any opportunity to compete for the movement of that business.

We had extensive hearings on the subject. This subject of section 22 has been discussed in hearings in our committee thoroughly in every phase which could be thought of, for the last 3 years. Many organizations, the American Trucking Association, the Farm Bureau, certain labor organizations and shippers' organizations, and the Interstate Commerce Commission, came in and requested us to repeal outright section 22. They said it was unfair competition. There is a lot of sentiment for that viewpoint in our committee.

But when you think of the other side, when you think that the Defense Department stated it would have an increased bill of \$128 million to \$130 million a year, there is another point to be considered. The Defense Department and executive branch of the Government are unalterably opposed to the repeal of section 22 on the ground it would automatically increase the Government's freight bill by the amount mentioned above.

The committee, in the consideration of the entire subject, decided that in the interest of the public we would not go along with the request and repeal it outright. Instead, we decided that the thing to do would be to require the carriers to file with the Commission their actual rates in order that all other carriers may know what that reduced rate was and therefore would have an opportunity, if they felt that they could, to compete with them for the Government shipments.

Now, that is precisely what the amendment that the committee adopted on this subject would do. If you take the bill that is before you, H. R. 3233, and look on page 4, subparagraph (c), you will

find the amendment that the committee adopted in an effort to try to get at what has been referred to as an evil that has existed over many, many years.

Now, the committee in the other body handling this subject reported an amendment that was identical in language to subsection (c) as I have just described to you. In our committee, as I say, there was a difference of opinion. Some wanted to repeal it outright; some did not, and the prevailing opinion was that it would be against the public interest because it would increase our freight bill by the amount referred to, and therefore we thought that there should be some difference between the two bills, if this was reported, in order that we could thrash it out more in committee in an effort to get a more satisfactory bill out of it.

Therefore, in view of that position, the committee adopted paragraph (a), which is on page 4, the first paragraph of the bill, which provides that insofar as the applicability of section 22 reduced rates was made to the movement of household goods, that it would be repealed; in other words, the movement of household goods in the future would not have the privilege of section 22 for reduced rates to the Government.

That thought was developed because a couple or 3 years ago in the consideration of this problem certain of the big moving van operators of the country—it was called the Household Goods Moving Conference; I believe that was the name of the organization—came to us and asked that we repeal section 22 as it applied to that particular movement. Now, motor carriers move practically all of the household goods for the Federal agencies; in fact, 3 or 4 large moving van companies of this country handle 80 percent of such movements.

Therefore, these 3 or 4 of the larger van lines of the country are against this provision. The smaller lines of the country that would like to have an opportunity to get some more of this business are for this provision, because they want the opportunity to compete for some of this movement.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Connecticut.

Mr. MORANO. By household goods, does the gentleman include new refrigerators, new radios, new television sets, and so on?

Mr. HARRIS. No.

Mr. MORANO. Or does he just mean used household furniture?

Mr. HARRIS. Household furniture used by people in the service.

Mr. MORANO. In other words, this would not affect newly manufactured products such as household appliances, and so forth?

Mr. HARRIS. It would to the extent that the Government was purchasing new equipment that had to be moved. I should think it would affect that movement.

Mr. MORANO. That is what I mean.

Mr. HARRIS. Yes; if the Government was purchasing and had to move it to some other location.

Mr. MORANO. In other words, there would be open competition with respect to those items?

Mr. HARRIS. That is true.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from New York.

Mr. KEATING. Does the gentleman have any figures with reference to the additional cost involved?

Mr. HARRIS. Yes; I was coming to that in a moment.

Mr. KEATING. Then will the gentleman cover that as well as the question of the position of the Government departments with reference to the solution which the gentleman's committee embodied in paragraph 2?

Mr. HARRIS. The question of moving household goods of personnel of the Government was submitted to the Department of Defense. We asked what it would mean so far as cost is concerned. We received a letter from the Department of Defense, which is incorporated in the report at page 13. There you will find that the Director for Transportation, Communications, and Petroleum Policy of the Office of the Assistant Secretary of Defense stated that it would mean an additional cost of approximately \$12 million for the movement of household goods. In other words, if this section had been the law in 1956 and the same shipments were made under the same conditions, they contend that the cost would have been \$12 million more. But we are led to believe that if this had been a part of the law, the competitive element would have entered into it and may very well have saved them some money.

Mr. KEATING. Mr. Chairman, will the gentleman yield further on that point?

Mr. HARRIS. I yield.

Mr. KEATING. I appreciate the gentleman's answer. This relates to the problem of household goods; as to the solution which the committee has come up with, paragraph (c), is it going to cost the Government more if these carriers are required to file their tariffs when they deal with the Government the same as they do with private individuals? Is there any element of additional cost to the Government involved in the solution which the committee has come up with under subparagraph (c)?

Mr. HARRIS. It is not contemplated that it will cost the Government any more. Of course, we have no opposition there; in fact, we have approval of the ICC and the other agencies of this amended section.

Mr. KEATING. To this solution embodied in subparagraph (c)?

Mr. HARRIS. Yes; requiring the filing of these rates, whatever the reduction might be.

Mr. KEATING. I thank the gentleman.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Louisiana.

Mr. BROOKS of Louisiana. Is the gentleman going to explain to us how the Government is going to lose by the amendment in subsection (a) of the bill?

Mr. HARRIS. As I said, I believe that if the same situation had prevailed in 1956 that would have prevailed under this provision, we would not actually have lost, because the competitive element would operate in the motor carrier industry. I think probably we would get a reduced rate in the movement of household goods.

Mr. BROOKS of Louisiana. Does your change relieve that from competition, the movement of household goods?

Mr. HARRIS. Yes; it makes it competitive in the field of motor carriers in the movement of practically all the household goods.

Mr. BROOKS of Louisiana. Is it not still competitive as far as they are concerned?

Mr. HARRIS. It would be made competitive, but now it is not because it comes under agreements the Defense Department makes with certain large van lines in the movement of such goods.

Mr. BROOKS of Louisiana. Your change will actually, then, make it competitive and save money?

Mr. HARRIS. That is the purpose of it.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Iowa.

Mr. GROSS. Is this limited to the Defense Department alone, or do all agencies of the Government come under it?

Mr. HARRIS. All agencies of the Government. The General Services Administration has been vitally concerned with this.

Now may I refer to one other point: After the committee had reported this bill and the rule had been granted, District Court Judge McGarraghy ruled on a case that was before him brought by four nonscheduled airlines alleging that the operation of such section 5 (a), which is referred to as the Bulwinkle Act, adopted by Congress in 1948, was not applicable to section 22 rates; consequently, the ruling of the judge, if it were to stand, in that case, in which it is definitely stated that section 5 (a), the Bulwinkle Act, was not intended by the Congress to be applicable to section 22 rates—

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. WOLVERTON. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas.

Mr. HARRIS. I will explain as to the Bulwinkle Act. Heretofore carriers have been permitted to meet and discuss agreements on terms, rates, and so forth. During the war the War Production Board issued Certificate 44 that would permit that procedure to continue. The reason that was necessary was that the Department of Justice had brought some antitrust proceedings against the railroads for such meetings and procedures on joint through rates.

After World War II, when this certificate was no longer in effect, the Congress considered a bill that was presented here by Major Bulwinkle. Many of you remember Major Bulwinkle, who served in this House for many years. After a certain length of time, 2 or 3

years, I do not know, in the consideration of that act, we passed section 5 (a) to the Interstate Commerce Act, which would permit the carriers to meet and discuss and come to terms as to procedures and rates and movements and so forth on joint through rates, which agreements had to be filed with the Interstate Commerce Commission, and, if the Commission approved those agreements, the carriers then would be relieved from antitrust proceedings.

During all this time this procedure was followed not only in consideration of commercial shipments but also as it applies to section 22, that is, reduced rates to Government agencies. The Congress felt in the adoption of section 5 (a) that that long-established procedure over the years was in the best interest of the Government and so made it applicable, and it is part of the law. In 1953 the carriers filed an agreement with the Interstate Commerce Commission on the movement of passenger traffic for the Federal Government. That agreement provided that the carrier should move passenger traffic at 10 percent below the regular published tariffs to commercial shippers. The agreement had many other items in it and the Commission approved it. Following that, a competitive situation developed between the nonscheduled air-coach carriers and the railroads. One offered a reduced rate and the other offered a reduced rate. As a result of that competitive situation, the railroad industry offered a reduced rate at 50 percent reduction on a package basis, if they could carry all of the passengers of the movement at that reduction. Volume permitted them to do it. That procedure has been followed now for some time. The air-coach industry, and these four carriers, objected to it, and in April of this year, they filed antitrust proceedings in the District Court here in the District of Columbia. Because the law had been so well established, or at least it was thought that it had been so well established by the carriers and the Government itself, those involved did not even bother to go into extensive hearings. They submitted the question to the court for a finding on the pleadings asked for summary judgment.

Mr. HESELTON. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. HESELTON. Is it not a fact that on June 19, the case was argued before Judge McGarraghy in the District Court?

Mr. HARRIS. Perhaps it was, but on July 5 Judge McGarraghy rendered a decision on the cases in which he said that with reference to the points of law raised by the several motions, which had been argued fully and briefed exhaustively, the court is of the opinion as follows:

1. The antitrust immunity conferred by section 5a of the Interstate Commerce Act does not apply to concerted section 22 quotations made to the United States Government.

In other words, it said section 5a did not apply to section 22 giving the Federal Government the privilege of reduced rates. Following that decision, the De-

partment of Defense was very much disturbed about it, and they came immediately, without waiting, to submit in the usual way suggestions as to an approach to the problem, and that was to offer an amendment to this bill when it was brought up this week and advising what the effect of it would be if it were not corrected. They said in this fiscal year alone it will cost the Government an increase of \$100 million in freight rates. In view of that, our committee met and we adopted an amendment which will be offered as a committee amendment. That is the amendment which will be discussed. When we get to that point, we will then discuss that particular matter thoroughly, but let us not lose sight of the purposes of the bill by an amendment that is to follow, which is a highly important amendment in itself.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. WOLVERTON. Mr. Chairman, I yield 2 minutes to the gentleman to answer an inquiry of the gentleman from Massachusetts, a member of the committee.

Mr. HESELTON. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. HESELTON. I wonder if the gentleman would be willing to advise those of us who are here now as to certain things that I believe to be facts. Is it not a fact that the hearings on these bills were conducted on April 2, 3, 4, 5, 10, and 11?

Mr. HARRIS. For this year; yes. On the question of section 22 we held hearings also a year ago and also in 1955.

Mr. HESELTON. Now, is it not a fact that the order of Judge McGarraghy, termed "a memorandum," was dated July 5 of this year?

Mr. HARRIS. That is true, and I so stated.

Mr. HESELTON. And was it not followed by an order dated July 17?

Mr. HARRIS. Well, the order was an injunction which was issued as a result of the opinion.

Mr. HESELTON. And was not the record in this case sent to the court of appeals of this district on July 25?

Mr. HARRIS. I understand that an appeal was filed to stay injunction of the court.

Mr. HESELTON. May I ask this question, in all sincerity: Was it not the purpose of the amendment being presented to our committee, to overcome the result of this decision in the district court?

Mr. HARRIS. The purpose of the amendment is to make it definitely clear that the Congress intended then and it intends now that the application of 5 (a) of the Interstate Commerce Act shall apply to the Government on section 22 rates, as well as commercial shipments and all other shipments.

Mr. HESELTON. But was there any such amendment offered to us after that report or would there have been if it had not been for this decision of the court?

Mr. HARRIS. That is correct. It would not have been necessary.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. JONAS. I may have misunderstood a statement made by the gentleman, and if so I would like to be corrected. Did the gentleman say that the committee had an idea that a better bill could be worked out in conference?

Mr. HARRIS. No. I said there was a division in our committee and some members wanted to repeal section 22 outright, completely. Others were opposed to it. So we worked out this particular amendment, paragraph (C). Then some question arose that since there was a division of opinion, perhaps if we amended the bill to make it different from what the Senate bill would be, we could get some of these things cleared up.

Mr. JONAS. At least a majority of the committee intends to stand by its own report?

Mr. HARRIS. That is my assumption.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. EDMONDSON. Is it correct to say that the amendment to which the gentleman has just referred in response to questions on the other side is an amendment which does not in any way alter the sense of the legislation but rather is a technical amendment to insure that the former sense is written into this new law?

Mr. HARRIS. That would be the effect of it, yes.

Mr. EDMONDSON. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Arkansas [Mr. HARRIS] has again expired.

Mr. WOLVERTON. Mr. Chairman, I yield 5 minutes to the gentleman from Maine [Mr. HALE], a member of the committee.

Mr. HALE. Mr. Chairman, as the chairman of our Committee on Interstate and Foreign Commerce has pointed out, this bill, in line with the television announcements, comes to you through the courtesy of our committee. I may say that our committee has been extremely courteous, because it has worked a long time on this legislation. Practically a year ago we reported a bill which repealed outright the provisions of section 22, which conferred on the Government the privilege of making secret and discriminatory rates with respect to its shipments in time of peace as well as in time of war. In time of war or national emergency, no one quarrels particularly with the right of the Government to move its freight and personnel under special rates arrived at by special bargaining. It does seem to me that to extend that privilege to the Government in time of peace is more than we ought to do. I really see no reason why the taxpayers should not pay the going rate for moving goods and personnel in time of peace. As it is today, other shippers make up through paying enhanced rates for the privileges which are enjoyed by the Government. However, the Department of Defense in particular objects very strongly to a complete repeal of section 22 which I personally would favor.

So we have brought in this compromise bill which has two sections: Sec-

tion (b) on page 4 of the bill; (all of the bill is in the form of a committee amendment) which restricts the section 22 privileges now enjoyed by the Government to goods other than household goods.

And section (c) which, if you will permit me to say so, "declassifies" section 22 rates. I am rather proud of "declassifies." It is really a new word and one that ought to be welcomed by the bureaucracy along with "finalizes," "activates" and so forth. "Declassifies" means to remove the veil of secrecy which now hangs over Government transactions with carriers; it makes them bring these rates, these bargains, out into the open.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield.

Mr. GROSS. I suggest you put that new work in the foreign giveaway bill.

Mr. HALE. The gentleman has his own ideas on that which are not in full accord with mine.

But anyway, I am very much in favor of having the Government's peacetime bargains with the railroads open bargains openly arrived at, and I can see now no objection of any kind to section (c) of the bill.

The provision about household goods may be more controversial. I think it is a very sound provision. I regret very much that the testimony given by the Movers Conference of America in connection with H. R. 525 in the 84th Congress is not available to the Members today, but it was very eloquent testimony. I might say without in the least desiring to be funny that it was most moving testimony, because the privileges accorded the Government for moving personal goods, household goods, personal furniture around the country under these cheap rates destroys the competitive situation in this line of business. It is unfair to truckers, it is unfair to the other common carriers, and I think it is only just that this provision should be repealed.

(Mr. HALE asked and was given permission to revise and extend his remarks.)

Mr. WOLVERTON. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. REED].

Mr. REED. Mr. Chairman, it seems to me that the only important question in relation to this amendment is what we believe Congress intended to do when it passed section 5a in 1948.

If we believe that section 5a when passed covered section 22 rates and was intended to cover section 22 rates, then I cannot conceive of any valid objection to this amendment. There is nothing retroactive about the amendment. The amendment does not take away from anyone any rights Congress gave in 1948. No one has a vested right in an interpretation of a statute that disregards the intent of Congress. No one has a right to have a statute interpreted without regard to the intent of Congress.

Since Congress always meant that the statute should cover section 22 quotations there is now no possible reason for distinguishing in this amendment between the future and the past. It would

certainly be unreasonable to say that Congress' intent should be observed for the future but disregarded for the past. In my opinion Congress should reaffirm its meaning for the past as well as for the future. It seems to me that to do anything else would be unfair to the transportation industry and would amount to shirking our legislative responsibility.

On the question of what Congress did, and intended to do, when it passed section 5a I cannot see that there is room for any possible doubt. I have yet to hear anyone explain why or how the word rates in section 5a can have one meaning in that section and a totally different meaning in section 22. Can anyone believe that Congress engaged in that kind of word juggling when it passed the statute? And when we remember that before section 5a was passed thorough consideration was given to the question whether the section should apply to section 22 rates and that both the proponents and opponents of the legislation believed that it did, the whole matter seems too clear for argument.

There seems to be some feeling that it is improper for Congress to declare in subsequent legislation what its intent was when it passed an earlier statute. Every lawyer knows that there is nothing in this. For many years and in many cases the Supreme Court has recognized that Congress is entitled to reaffirm its intent and to interpret its own enactments. Moreover, the Court has also recognized that when Congress does so in subsequent legislation the Court will give the congressional declaration great weight even as to past transactions. I cite a few of the cases in which this principle has been recognized: *Alexandria v. Alexandria* (5 Cranch 1, at pp. 67-68, John Marshall, Ch. J. (1809)); *United States v. Freeman* (3 How. 445, at p. 564 (1845)); *Stockdale v. Insurance Company* (87 U. S. 325, at p. 331 (1873)); *Bailey v. Clark* (88 U. S. 284, at p. 288 (1874)); *Sioux Tribe of Indians v. United States* (316 U. S. 310, at pp. 329-330 (1941)).

Mr. WOLVERTON. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. GWINN].

Mr. GWINN. Mr. Chairman, I would like to ask the chairman of the subcommittee, the gentleman from Arkansas, a question or two. It is rather surprising to me to find this debate dragging without the presentation of the reasons why the Government should be so quick to save \$100 million for services that the railroads render. Would the railroads assume the loss to other shippers of other commodities by paying higher rates? Should we assume that because we have the power to make the railroads render such service today at a reduced rate or possibly below cost that we ought to exercise it? If we carry soldiers at less than the competitive cost or at a reduced rate because it is a Government operation, would it not follow that we ought to carry all of the freight that Government operations create? How about the material that goes into public housing for the benefit of tenants from so-called slums, the materials that go into public powerplants? The corn and wheat and cotton that the Government

owns—should they not be carried at a reduced rate? It is all Government operation. On principle, where do we stop?

Mr. HARRIS. I merely mentioned the history of the act whereby the Congress said in 1887 when the act was adopted that the Government agencies shipment of passengers and freight would be given this privilege of reduced rates. That has been practiced since that time and it is in effect today. It was not extended to these other fields that the gentleman related, therefore they have never been included.

Mr. GWINN. But should they not be, in principle? That is the only point in the argument. The question is, By what right do we do that, even if we did it in 1887?

Mr. HARRIS. I was one of those who voted to report a bill in the last Congress that would have repealed section 22. I voted for it on account of the principle involved that the gentleman mentioned. But we found there were so many who had a different opinion about this, particularly the Government agencies themselves and they violently opposed it and they do today, that we could not obtain a rule when we reported the bill out last time. We are facing a practical situation at this time when the majority of opinion of the committee decided we could not be successful at all in any further attempt to repeal it outright; therefore we can correct some of the evil by requiring that the actual reduced rates be filed with the Interstate Commerce Commission.

Mr. GWINN. Does the gentleman see any difference in principle between carrying soldiers at less than cost, at the railroads, and carrying corn or any other Government commodity at a favored rate?

Mr. HARRIS. In view of the history of the act itself and the reasons for it adopted by the Congress, yes, I can see a difference in principle involved, because when this act was adopted the carriers received benefits from what the Government did in granting to them substantial property which later became very valuable.

Now, in payment of that, the Government was given the privilege of reduced rates. No such situation existed in connection with the movement of any other commodity.

Mr. GWINN. Well, does the gentleman think in principle that that practice should continue for another, say, 75 or 100 years just because that was the original deal having to do with the establishment of railroads?

Mr. HARRIS. Well, I just expressed to the gentleman my feelings about it, but they did not prevail.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HARRIS. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, I thank the distinguished chairman of our committee for an opportunity to talk on this subject. I may say that in the short history of my service on the Interstate and Foreign Commerce Committee of this House, this is one of the most

confused and confusing issues that I have had an opportunity to look at.

Now, this bill, as it was originally offered to the committee, was opposed by the Bureau of the Budget, the Department of Defense, the General Services Administration, and a number of carrier organizations. Since the bill was first offered to the committee it has gone through an amending process, so that, in effect, it makes section 22 no longer applicable to the carriage of household goods of dependents of military personnel and dependents of Government employees.

Mr. Chairman, I think the House ought to know one fact in considering this legislation, that if we are economy minded in this House, we are going to cost the Government, by the repeal of this particular section, about \$12 million a year. That is going to come out of the pockets of the taxpayers of this country by the elimination of the applicability of section 22 to this particular type of carriage. Now, at the proper time, under the 5-minute rule, I intend to offer a series of amendments to this particular bill.

The first amendment will be an amendment striking out the particular section of the bill which eliminates the applicability of section 22 to this particular type of carriage. I then will, if given a chance, oppose an amendment which many of us have heard about which has been offered in committee and which has been adopted, and a committee amendment which I think will be proper for every Member to be apprised of at this time so that they can pay proper attention to the debate when it comes up.

The amendment, in effect, that will be offered as a committee amendment will do a number of things. Principally, the committee amendment will make some very radical changes in the law in the applicability of section 22 of the ICC Act and in the applicability of the so-called Reed-Bulwinkle Act to types of carriage and to the antitrust laws. And, I think that this House should know that no hearings have been held and that very serious and very considerable questions have been raised as to the impact of this particular amendment which will be offered later. And, I might say to the committee that we had a short executive session on this particular amendment which the chairman is going to offer on behalf of the committee, and I do not believe there is anyone on that committee—I refer to the Committee on Interstate and Foreign Commerce—who knows what that amendment does or what it will do or what its impact will be on any one of the carriers who are involved or who will be involved. But, we do know one thing, that it will have the effect of practically repealing the effect of the antitrust laws on goods carried under section 22 of the Interstate Commerce Act, and it may very well also have the effect of eliminating, if passed, several lawsuits which are now pending in various parts of the country. And, I say it is not just one but several. So, at the proper time I

intend to oppose that amendment. I hope the members of the Committee of the Whole will support me and vote that particular amendment down.

Mr. WOLVERTON. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. YOUNGER].

Mr. YOUNGER. Mr. Chairman, as a member of the committee, I am one of those who is convinced that section 22 should be repealed. I am for this bill, but it goes only part way. I would like to go all the way.

So far as the shipment of household goods is concerned, operating under section 22, the Government has the right to go to any common carrier—truck, railroad, airline—and make any kind of an agreement. At the present time they do not even have to expose to the public the rate that they are charging. This has been a source of complaint. It is a source of trouble, as witnessed by the lawsuit that has already been mentioned. It offers temptation to those in the departments who can make secret agreements with common carriers. That temptation should have been removed long ago.

Now as to the movement of household goods and the savings that have been mentioned. The \$12 million mentioned would not be all savings. Under the process now used the Department of Defense recompenses individuals for any damage to their household goods. Now listen to these figures. In 1956 there were 17,953 claims filed with the Defense Department for damage to household goods. The Government paid out \$3,163,868. The estimate for 1957 is 19,684 claims for a total of \$3,585,000. The estimate in the budget for 1958 is 20,674 claims for a total of \$3,776,000.

If they shipped as any other shippers of household goods, those claims would not have to be paid. They could get insurance on the shipments.

I, for one, am in favor of the bill. As I have pointed out, I do not believe it goes far enough but it is a step in the right direction. Therefore, as a member of the committee and a member of the subcommittee, I recommend it.

Mr. WOLVERTON. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. HESELTON].

(Mr. HESELTON asked and was given permission to revise and extend his remarks.)

Mr. HESELTON. Mr. Chairman, I am not going to address myself to the bill itself. My serious concern is with what is known as the committee amendment which I understand will be offered when the bill is read under the 5-minute rule. The committee amendment is available at the desks, I believe; at least at the majority desk. In my opinion, however, it is so technical that it would be of no particular value to suggest reading it.

Rather, I want to address myself to what I believe to be a matter of basic principle. And I want anyone on the committee to correct me if I make any misstatement of fact now. I do not intend to do so, although I may be unconsciously in error.

The hearings on some 6 bills occurred on April 2, 3, 4, 5, 10, and 11 of this year.

On April 10 of this year a proceeding was begun in the United States district court here in the District of Columbia. There were various pleadings filed by the parties. There were, as the chairman stated, several so-called independent air carriers as plaintiffs. Approximately 42 railroads who were named as defendants.

On June 17 the last pleadings in the case were filed. On June 19 Judge McGarraghy of the district court heard the motions of the defendants to dismiss and to order summary judgment, and at the same time the plaintiffs' motions for summary judgment and for a preliminary injunction. The case was fully and exhaustively argued before the court on that date.

On July 1, after consideration by the Committee on Interstate and Foreign Commerce of the legislation before it, a bill was reported out, which is the bill before you. The committee report was filed on July 1.

On July 5, Judge McGarraghy signed a memorandum in which he gave a partial judgment to the plaintiffs.

On July 17, the next step in the district court occurred, and that was the signing of an order by Judge McGarraghy in the nature of an injunction. Then, on July 25, it is my understanding a preliminary record was forwarded to the court of appeals here in the District.

You will not find in the committee report one word as to this committee amendment, and of course it is not in the bill in the form of an amendment suggested in the bill. It is my understanding that subsequent to the filing of the committee report on July 1 someone in the Department of Defense became exercised as to what he believed would be the result of this judgment entered in the district court, and he came to the committee with this amendment, offering it as a suggestion to overcome and to do away with the effects of the judgment entered by Judge McGarraghy.

It is my feeling that we as a legislative body ought to recognize the separation of powers; that when private litigants go into any particular courts they have a clear right to expect action will be taken under the law. Whether it is interpreted correctly or not, I am not arguing. That is for the appellate courts to decide. But under the situation as it exists, it is not for us as a legislative body to attempt to reverse the judgment that may be handed down by a court one way or another.

In making these remarks, I am making no suggestion that one side or the other is correct. I do not know who is correct. But I think it ill behooves us to adopt an amendment the sole purpose of which is to undo the results of litigation that is pending in one of the United States courts.

We complain bitterly, and rightly, I think, when a court attempts to legislate. We complain when any part of the executive branch attempts to take to itself a prerogative of Congress. I think we should be fully cognizant of the fact that if we accept this amendment this afternoon, no matter who suggests it, no

matter what the merits may be on one side or the other, we are actually seeking to undo a judgment rendered by a competent court after the pleadings have been presented to that court and the parties have been fully heard.

This issue never arose before this committee, and nobody has had an opportunity to say one word to us pro or con as to the advisability of this amendment. I think we will be wise if we insist that this pending litigation is not affected by this proposed amendment.

Mr. HARRIS. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia, a member of the committee [Mr. FLYNT].

(Mr. FLYNT asked and was given permission to revise and extend his remarks.)

Mr. FLYNT. Mr. Chairman, this legislation is designed to amend section 22 of the Interstate Commerce Act. For my part, I wish it were legislation designed to repeal section 22, and I believe that that feeling is shared by many members of the full committee and the Subcommittee on Transportation and Communications on which I serve. Let me give you my principal reason for that. That is, if section 22 were repealed, the United States Government through its executive branch would then be required to pay the identical rates which private enterprise and private business in this country today are required to pay for shipping the same commodities the same distance and over the same or similar routes. I think present economic circumstances as well as the economic structure of our Government and of our Nation are substantially different than when section 22 was written into law. I hope the time will come when this body and the other body, constituting the Congress of the United States, will in their judgment see fit to repeal section 22 in its entirety. This bill which is today before us is limited to a certain portion of section 22 and provides that if this legislation should become law that in the future there will be no more secret or hidden agreements entered into by any branch of the United States Government and any carrier of any mode of transportation. There is no necessity for secret agreements any more, if ever in fact there was any necessity in the first place. If this legislation is passed, henceforth all agencies of the Government and all carriers who enter into negotiations for the shipment of goods or persons by any of the recognized modes and means of transportation will be required to file the rates which prevail as a result of those agreements between the carriers and the agencies of the United States Government involved. There is no reason, Mr. Chairman, why the American public, the average American citizen and the average American enterprise and business should any longer be required to pay higher rates because the Government is given preferential and lower rates. If a preferential lower rate is given to the United States Government or any one of its agencies, then if that rate is either below compensatory costs or near compensatory costs it means that the published rates, which

will have to be borne by the American public generally, will be increased and will be higher than those rates which would normally be charged.

Section 22 was made a part of the Interstate Commerce Act at a time when the expenditures and the budget of our National Government were far, far less than they are today. They were made at a time of relatively low taxes imposed upon the American people. But, Mr. Chairman, at the present time, with the present structure of our national budget and the economic structure of our country, there is absolutely no further justification for the retention of section 22.

The CHAIRMAN. The time of the gentleman from Georgia [Mr. FLYNT] has expired.

Mr. HARRIS. I yield the gentleman 2 additional minutes, Mr. Chairman.

Mr. FLYNT. Mr. Chairman, it is my firm and sincere belief that if this legislation, H. R. 3233, shall be enacted into law, it will be a step in the right direction toward correcting certain inequities which exist in section 22 as it is now being applied. This legislation in itself will bring to an end what I consider to be a reprehensible practice of the United States Government entering into secret and hidden negotiations, without bringing them to the complete light of day, so that any interested citizen or any interested competing carrier can see exactly what goes on when your Government and mine enters into these agreements.

Mr. Chairman, with regard to the committee amendment, about which something has heretofore been said, after studying this I believe that it has merit and should be adopted. I know of no valid objection to the amendment which has yet been presented.

It is my opinion, arrived at after considerable study and after some doubt raised in my mind when the question first came up, that the committee amendment which will be proposed and offered by the chairman will in no way affect any pending litigation or any future litigation which might arise under the provisions of this section 22 or 5 (a).

I know of no way whatsoever that the amendment which will be offered, and I hope which will be adopted, can have any retroactive effect in any way on any pending or future litigation.

This bill is not confusing to anyone who has studied it nor to anyone who has knowledge of those sections of the Interstate Commerce Act sought to be amended. I ask that the committee amendments be adopted and that this bill be passed.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. HARRIS. Mr. Chairman, I yield 7 minutes to the distinguished gentleman from Texas [Mr. MAHON], chairman of the Subcommittee on Military Appropriations.

Mr. MAHON. Mr. Chairman, I am a mere novice in the field of transportation legislation. I have not risen for the purpose of discussing the details of this bill. I have especially in mind a proposed amendment, in view of the fact that Government transportation is affected. I have taken advantage of an

opportunity to look into the matter, as best I could on short notice, with the Defense Department. I am told that failure to adopt the committee amendment would increase the domestic transportation bill of the Government by many, many millions of dollars per year. As far as I know, that statement is correct. I believe it to be correct. But if it is not correct I should like to ask the chairman of this great committee for some enlightenment on that subject.

Another question that has been raised: It is said that if this amendment is not adopted it would nullify many if not most of the advantages to the Government and the carriers, of section 22, as a great majority of Government movements must result from joint consideration and negotiation by the carriers. It is further my understanding, after consultation with people who are supposed to understand this thing from the standpoint of the Defense Department, that failure to adopt the amendment would have a tendency to destroy the flexibility of adjusting contracts, such as speedy adjustment of rates, fares, routes, and transit privileges, and increase the possibility of breach of military security. There are other points which have been made. I am not sufficiently qualified as a student of this matter to measure the effect of these matters that have been presented to me.

My point is that, like you, I recognize that the Defense budget is already terrifically high, and I would certainly regret to see the Congress adopt a policy or fail to adopt a policy that would be to the disadvantage of the Defense Department in holding down expenditures; and if failure to adopt this amendment might cost us many millions of dollars in additional transportation costs in defense, I think it would be a mistake not to pass the amendment which I understand is to be offered by the gentleman from Arkansas, chairman of the committee.

And, if time permits, I would like to ask the gentleman from Arkansas, if I may, if generally speaking I have presented a clear picture of this matter insofar as his studies reveal.

Mr. HARRIS. I would like to say to the distinguished gentleman from Texas that hearings over the past 3 years have revealed to us what the Government realizes from the operation of section 22 of the Interstate Commerce Act providing for free and reduced rates to Government agencies.

There has been some contention as to what the ultimate amount would be or might have been in the past, but the best that we can arrive at is that the Government saves about \$128 million to \$130 million a year out of the operation of this provision of the act.

I am advised by the Department of Defense which is mostly affected by this particular program under the ruling of the court, if its interpretation of the application of section 58 to 22 rates were to prevail that it would:

First. Wipe out all rates, freight and passenger, involving more than 1 railroad which in 1 instance have been in effect for years under section 22; and

Second. It would increase the domestic transportation bill of the Government in excess of \$100 million in the fiscal year 1958 alone.

Those are some of the effects that the Defense Department says to us that they will realize if this amendment does not prevail.

There are many other Government agencies, the General Services Administration, for instance, which moves substantial property; there are other Government agencies that, of course, move substantial property; therefore, just what the total bill would be we are not able to say, but it would be substantial.

Mr. MAHON. I would like to ask a question as to the additional administrative costs. It is claimed that the administration of the transportation work in the Department of Defense will be greatly complicated if we do not have this amendment. I would like to know if the committee has made any study as to the possible additional administrative burden on the Government that might result if we failed to take the action recommended in the gentleman's amendment?

Mr. HARRIS. We were advised by the Department of Defense that an increased administrative burden on the Government departments, to the extent of which cannot be estimated, will result. Experience, they say, suggests greatly increased administrative costs involving increased personnel as well as increased transportation charges.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Michigan, but I have only 2 minutes.

Mr. DINGELL. Mr. Chairman, I would just like to comment very briefly. No hearings have been held on this particular bill. We in the committee have really nothing other than the unsupported word of the Department of Defense as to how much this would cost. They have made no thorough study. They hurried these figures up here without even bothering to put them on the letterhead of Department of Defense. In order to show you the validity of the cost elements of the Department of Defense and regarding which the committee reports adversely on pages 5 and 6 of the report, they said that section 22 quotations were about 13 percent above the corresponding level of commodity rates on comparable traffic. Furthermore, they even said they paid more. Then they said that elimination of section 22 would have cost the Government an additional \$128 million last year. Further, in the court order of Judge McGarraghy, that is the reason for the Defense Department's hurrying this amendment up to us in such a tremendous rush.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. WOLVERTON. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, before starting my remarks, I would like to inquire if the gentleman from Texas [Mr. MAHON] wishes some additional time to answer any inquiry that was made of him?

Mr. MAHON. No. I am not a student of this matter. Knowing this matter was pending I have made some study of its effect on the defense budget. The defense budget is already pretty high. My only interest in addition to being interested in the general welfare is to try to prevent something being done that will increase the costs of the Government further because we are spending hundreds of millions of dollars already in transportation through the Defense Department and I would regret to see a bill raise it another \$100 million per year. That is my only interest. I thank my friend from New Jersey.

Mr. WOLVERTON. I appreciate the gentleman has had considerable experience on this question of defense costs and, certainly, I did not want limitation of time to prevent him from giving the House the benefit of his thoughts.

Mr. GWINN. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield to the gentleman from New York.

Mr. GWINN. If the Government is to save \$100 million in transportation costs, then who pays that \$100 million? Is it the other shippers, the taxpayers, or the railroads? Will they have to absorb that cost?

Mr. WOLVERTON. Of course, in all instances, the Interstate Commerce Commission has the right to rule on the reasonableness of the rates and I assume that would be a question that would be subject to testimony having a bearing on that subject in a hearing before the Interstate Commerce Commission.

Mr. GWINN. Then the Interstate Commerce Commission might shift that burden to other shippers by fixing the rates?

Mr. WOLVERTON. I will leave it up to the gentleman's mind as to what the commission might do.

Mr. COAD. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield to the gentleman from Iowa.

Mr. COAD. Only last week I understand through a news report that Mr. Symes, president of the Pennsylvania Railroad, has made a request of the Congress on behalf of the eastern railroads working in accord one with the other to set up a fund of \$2½ billion to build rolling stock for the railroads because of tight money and because of the low revenue that the railroads are receiving and because their stock is wearing out. Does that mean we are going to set up a \$2½ billion fund on the one hand and save a \$100 million somewhere else?

Mr. WOLVERTON. The Committee on Interstate and Foreign Commerce of this House has not considered as yet the suggestion that was made by Mr. Symes, who made that suggestion in the course of his testimony before the committee, not particularly on the bill that was pending at the time but as a means of helpful consideration to the railroads. He thought the matter should be given consideration by the committee. I was much impressed with the statement he made, the reasons he gave, and the assurances that he gave that it would not

cost the Government any money. However, that is a matter requiring close consideration and attention by the committee.

Mr. Chairman, I have in mind as I make these remarks the statement that was made by a district court in the case to which reference has already been made, namely, that "the antitrust immunity conferred by section 5 (a) of the Interstate Commerce Act does not apply to concerted section 22 quotations made to the United States Government."

The declaration by the court began and ended as I have read it. There was no basic reasoning given by the court to support the view that it expressed. It seems unfortunate that in dealing with a matter that has had congressional consideration, that had the approval of committees in the Senate and in the House, that had the approval of both bodies, and had the signature of the President by way of approval, that the court would render a decision without sustaining reason upon a matter as important as this, and especially as it had been in operation for a period of approximately 10 years without any question having been raised by anyone with respect to the application of 5 (a) to section 22. I repeat it was unfortunate that the court should take occasion to decide that the Congress did not intend that section 5 (a) should apply to section 22 and not give any reason to support it. If the court had taken the time to consider the reports that had been filed by the respective committees in the Senate and in the House, as well as the debates that took place on the floors of both Houses when that matter was under consideration, it would seem to me that the Court could not come to any other decision or conclusion than that it was the declared intent of the Congress that section 5 (a) should apply and did apply to section 22.

During my service in the Congress, which, as you know, has been over a considerable number of years, most of which has been as a member of the Committee on Interstate and Foreign Commerce, a committee which has legislative jurisdiction over most of the regulatory bodies of our Government, it has been astounding to me at times to have had brought to our attention as a committee that administrative bodies have passed upon what they consider the intent of Congress. In many instances it has been totally foreign to what I understood the intent of Congress to have been as a member of the committee that passed the legislation and as a Member of the House that had approved it after listening to the debates. But, nevertheless, it frequently happens that administrative bodies see fit by their interpretation of congressional acts to, in fact, act legislatively in the place and in the stead of the Congress, doing so under the assumption that they are interpreting the intent of the Congress. That has also been frequently characteristic of decisions that have been made by our courts. I am aware of the fact that our courts frequently—and I wish they would more often do so—examine the hearings. I wish they would examine more care-

fully the hearings of the committees, the reports of the committees, and the debates on the pending legislation in both the Senate and the House, for I am inclined to believe that they could thereby better understand the intent of the Congress than their declarations sometimes indicate. For that reason I am speaking to some extent on the subject because of the fact that this court saw fit, in the few words that I previously read, to declare that section 5 (a) of the Interstate Commerce Act did not apply to section 22. I am of the opinion that a decision as important as this was entitled to be something more than a mere memorandum filed by the court within a few days after the conclusion of the argument in the case. I am inclined to believe that if a study had been made to determine what the intent of Congress had been in this matter, it would have taken probably all of the time between the argument and the decision even to read the pertinent matter, the matter that had a bearing on determining the intent of Congress.

However, the failure of the court to make any reference to the matters that were discussed in the hearings or that appeared in reports of the committees, both majority and minority reports, or in the debates that took place in the House and in the other body, indicates to me that the court probably did not read in their entirety these pertinent matters, matters which should have been given very careful consideration and which, if they had been read by the court and the court was still of the opinion that the intent of Congress was not to make section 5 (a) a part of section 22 then it was due the Congress that the court should have set forth its reasons and pointed out why it thought it was not the intent of Congress. I realize that that would have taken some time, but when another branch of the Government assumes to set aside an act of the Representatives of the people in whole or in part that has been deliberately arrived at by the Congress and approved by the President of the United States, I think it is due as a courtesy at least to the Congress that the court should give the reasons that prompted the court in the conclusions reached. And if the court had done so and had read the reports of the House and the Senate, it is my opinion it would have been apparent that not only did the majority reports and debates leave no doubt as to the intention to have section 5 (a) apply to section 22, but the court would have read in the minority reports that had been made by those on the committees who had objected to the action of the committee, that they unequivocally had stated plainly that it was so intended. A reading of those statements filed in the form of minority reports, in the one case by Senator Tobey of the other body and in the other case by the gentleman from Minnesota [Mr. O'HARA] of this body, a member of the committee, could leave no doubt whatsoever that they understood in their opposition to the legislation that it was because of its application to section 22 in the manner which the court by its decision denies.

There was no doubt of that.

In this connection I have today received a communication from my colleague, the gentleman from Minnesota [Mr. O'HARA], who filed the minority report to the House bill to which I have referred, transmitted to me by his secretary owing to the fact that Mr. O'HARA was in Minnesota on official business.

It reads as follows:

DEAR MR. WOLVERTON: Re H. R. 3233. The following is a memorandum of the message which Mr. O'HARA asked me to convey to you today in regard to the proposed committee amendment to H. R. 3233.

Tell Mr. WOLVERTON that as one of those who objected to the Bulwinkle amendment, I made no distinction between section 5 (a) and section 22, and thought it applied to both of them.

That is about as reliable firsthand information as it would be possible to get as to the intent of Congress when it passed this legislation some years ago.

May I further address myself to the fact that the original legislation has been in effect for upward of 10 years. It has been utilized by carriers. At no time in the 10 years that have intervened until the present time has any court, the Interstate Commerce Commission that has applied it, or anyone else, shipper or otherwise, as far as I am aware, ever raised the question that is now expressed that in the passing of the Bulwinkle bill, known as section 5 (a), it was not a part of and to be applied to section 22 of the act. Certainly this lapse of time is an element that is entitled to have consideration.

The amendment which will be subsequently offered by the chairman of our committee is not to be considered, in my opinion, in the nature of legislation to change the court opinion, although if it were I would not have any objection to that. We have seen opinions rendered by the highest Court in the land in recent days. Already there have been bills introduced in the Congress with the idea that it would be necessary on account of those opinions to change the law, which, in effect, would change the opinions of the courts if they subsequently had the same set of facts before them. If that can be done with respect to the Supreme Court of the United States, then what objection could there really be if this amendment that will be offered does have that effect with reference to a decision of a district court judge, especially on a memorandum opinion, in a matter as important as this and one in which the factual data that supports the Bulwinkle bill as a part of section 22 is so plain that even he who runs could read and understand?

I think it is time for Congress to assert itself. I have no apologies to make for a committee, after due deliberation, coming in with legislation that will correct decisions of a court that is wrong. Why should we not do so when we have passed legislation that we think is necessary, appropriate, and proper, and after extended hearings, when a court in merely a memorandum opinion using 1¾ lines to declare all Congress has done and the President has approved of is not a part of the law, and was not the intent of Con-

gress? Instead of apologizing and making excuses, I think it is our duty to do it. But in this instance we are not justly boldly saying, "We are changing your opinion." We are making it plain that this is what Congress did intend, and it would have effect at least in the future. As to what effect it might have on this case, I am not of the opinion that it is intended to be retroactive or anything of that sort. But, even if it were, we would only be asserting what the Congress declared 10 years ago should be the law and which had the approval of both Houses by an overwhelming majority. If I remember correctly, the bill was passed in this House by a vote of 248 in favor of it and I think with only 38 or 48 voting against it. I am not so sure but I think it was passed in the other body by an overwhelming majority. All of this indicates how plain it was as to what the Congress intended and this has been proved by the intervening 10 years of time without anyone—the courts or anyone else—objecting to it or raising any question. Therefore, I say I am not apologizing. If anyone wants to say that this is done to change a court decision, I will say, that is all right with me—I am not apologizing for whatever the bill may do in that respect. I feel at times it is the duty of the Congress to assert itself and to make certain as Representatives of the people that their will should not be set aside without the court at least giving the reasons for it.

Mr. DINGELL. Mr. Chairman, will the gentleman yield at this point?

Mr. WOLVERTON. I yield to the gentleman for a question.

Mr. DINGELL. I am going to ask the gentleman one question.

Mr. WOLVERTON. If the gentleman wishes time to express his views, I will yield him some time, but I do not want it to be included as part of my remarks. Therefore, I will yield the gentleman time, if he desires it.

Mr. DINGELL. I asked the gentleman if he will yield for a question.

Mr. WOLVERTON. If it is not a speech.

Mr. DINGELL. I am going to ask the gentleman the same question that I asked him yesterday. Will the gentleman tell me where in the reports or in any documents that he discussed, or in the debate, was it specifically said that section 5 applied to section 22—just where specifically?

Mr. WOLVERTON. I have that information right here in my hand and I have asked for permission to revise and extend my remarks.

Mr. DINGELL. I am asking the gentleman to tell us here.

Mr. WOLVERTON. Just a moment. I heard what you asked, and I am trying to answer you in a way that will give you the information. If you will read the report of our committee in reporting out the original bill, you will find abundant evidence of it. And, if you will read the report at that time of the other body—and I assume that you have not read it or you would not have asked the question—you will find abun-

dant and convincing answers to your question.

Mr. DINGELL. I am just asking the gentleman to tell us here.

Mr. WOLVERTON. I know what the gentleman is asking, but the gentleman will get the answer in the way that I have indicated.

Mr. DINGELL. I just asked the gentleman to tell me specifically where that language appears.

Mr. WOLVERTON. Mr. Chairman, I answered the gentleman. I decline to yield further.

Mr. Chairman, I now wish to consider further the historic background of this legislation.

For many years the common carriers subject to the Interstate Commerce Act have given the United States Government special reduced rates which were substantially lower than the regular tariff rates. This has been done under section 22 of the Interstate Commerce Act which provides that nothing in the statute shall prevent the railroads from giving reduced rates to the United States Government and also to State and municipal governments as well as to certain other kinds of public institutions.

These rates were particularly important to the Government all through the period of World War II and in the post-war period when the Government found it necessary to transport large volumes of freight and passengers for military and related purposes. During this period these reduced section 22 rates saved the Government and the taxpayers many millions of dollars.

Necessarily the greater part of the transportation under these reduced rates involved two or more carriers. This meant that the reduced rates under section 22 had to be considered and established by the carriers through joint action. This necessity for joint action was one of the important reasons for the enactment in 1948 of section 5a—Bulwinkle Act—of the Interstate Commerce Act. It had been suggested that any kind of joint action by carriers in relation to railroad rates violated the antitrust laws. Congress dealt with this problem by passing section 5a. The section provides that the Interstate Commerce Commission may approve agreements among carriers for the joint consideration, initiation, and establishment of rates, fares, and charges and that if it approves such an agreement then any action taken under the agreement is relieved from the operation of the antitrust laws.

By its terms section 5a applies without any limitation to all kinds of "rates, fares and charges." These words plainly cover all rates, fares and charges as those words are used elsewhere in the Interstate Commerce Act, including the word "rates" in section 22. Certainly there is no basis for saying that the word "rates" means one thing in section 5a and something different in section 22; Congress did not intend to engage in this kind of juggling with the plain meaning of the word.

The words "rates, fares and charges" in section 5a were the same words that

were used to cover the identical subject matter in certificate 44 which was issued by the chairman of the War Production Board in 1943 to permit the railroads to act jointly in establishing rates during the war without fear of prosecution under the antitrust laws. It was pursuant to the provisions of certificate 44 that the railroads made section 22 quotations to the Government during the war and there can be no doubt that the certificate applied to section 22 rates as well as to all other rates made by the railroads while the certificate was in effect.

The purpose of section 5a was to replace the wartime protection given to the railroads by certificate 44 with a permanent statute, and this was explicitly stated in the hearings which preceded the passage of section 5a. See the testimony of Commissioner J. Monroe Johnson, Director of the Office of Defense Transportation in the hearings on H. R. 2536 before a subcommittee of the Committee on Interstate and Foreign Commerce, House of Representatives, 79th Congress, 1st session, page 392.

When the legislation was under consideration in Congress it was repeatedly pointed out that it was particularly important that carriers should act jointly in considering, initiating and establishing rates for Government traffic. The Director of the Office of Defense Transportation and representatives of the Army and Navy appeared and testified in the committee hearings in support of the proposed legislation. This testimony was specifically referred to in both the Senate and the House reports recommending passage of the legislation. See House Report No. 1100, 80th Congress, 1st session, page 11, and Senate Report No. 44, 80th Congress, 1st session, page 12. After specifically referring to this testimony the House committee report stated:

It should be noted that the cooperative procedures developed in time of peace and the experience of the carriers under such procedures will greatly facilitate efficient operation in time of national emergency.

There was also testimony in the committee hearing on the importance of section 22 quotations to the movement of Government traffic. Joseph B. Eastman, Director of the Office of Defense Transportation and for many years a member of the Interstate Commerce Commission, placed in the record of the hearings before the Committee on Interstate Commerce of the United States Senate, in the 78th Congress, a report listing instances in which the railroads had acted jointly to give the Government section 22 quotations—hearings before the Committee on Interstate Commerce, United States Senate, 78th Congress, 1st session, S. 942, pages 843-851. In the same hearings Mr. A. F. Cleveland, vice president of the Association of American Railroads, introduced in evidence a list of 125 quotations on Government traffic made under section 22 by the railroads acting jointly—hearings before the Committee on Interstate Commerce, United States Senate, 78th Congress, 1st session, S. 942, pages 1064-1080.

In the hearings before the Senate Committee in the 79th Congress, 2d session, there was a colloquy between Senator Hawkes, one of the members of the committee, and the general counsel of the Association of American Railroads in which Senator Hawkes explicitly states that in his view it was necessary for the railroads to act in concert in making section 22 quotations. Senator Hawkes said:

If the process of using the rate bureaus to arrive at commercial rates is sound and justifiable under the laws of the country, as I believe it is, then I cannot see how you could do anything else in considering rates under section 22 than to use the same agency in arriving at what you can do with due regard to all other things that had been done and that were in existence. (Hearings on H. R. 2536 before Senate Committee on Interstate Commerce, 79th Cong., 2d sess., pp. 1410-1413.)

It has recently been suggested for the first time that section 5a does not authorize the Commission to approve agreements that provide for joint action in relation to section 22 rates because those rates are not subject to regulation in all respects by the Interstate Commerce Commission. There is no merit whatsoever in this argument. It disregards the plain meaning of the words of section 5a. It ignores the legislative history of the section. As we have seen, that legislative history shows beyond any doubt that Congress intended the section to cover joint activity in relation to section 22 rates and in fact passed it so that such joint activity could be relieved from the operation of the antitrust laws.

The argument rests on a false premise. The Interstate Commerce Commission has authority under the Interstate Commerce Act to regulate section 22 rates in the only respects that are necessary to protect against unreasonable joint action by the carriers. The Interstate Commerce Commission can reduce section 22 rates if they are unreasonably high; it can award the Government reparation for injuries caused by unreasonably high section 22 quotations—*War Materials Reparation Cases* (294 I. C. C. 5). The Commission can prevent section 22 quotations from being used to discriminate between private shippers or between carriers, or between regions and localities. This was explicitly held by Mr. Justice Brandies in *Nashville, C. St. L. & C. Ry. Co. v. State of Tennessee* (262 U. S. 318). Even though the Interstate Commerce Commission has no authority to fix a floor under section 22 rates or to require them to be raised it does not follow that section 5a does not apply to such rates. On the contrary, the purpose of section 22 is to permit carriers to give governmental agencies reduced rates and there is no justification in section 5a or in any other part of the Interstate Commerce Act for an argument that the antitrust laws should be used to prevent the granting of such reduced rates.

The question is whether the words and the will of Congress should prevail or whether section 5 (a) should be whittled away by an interpretation which would deprive the Government of the benefits to which it is entitled under section 22.

Nothing in the words of section 5 (a) or in the legislative history of the section provides the slightest support for this kind of an interpretation of the section.

EFFECT ON GOVERNMENT TRANSPORTATION FROM AN ADMINISTRATIVE STANDPOINT IF THE AMENDMENT TO BE OFFERED ON THE HOUSE FLOOR TO H. R. 3233 BY THE CHAIRMAN OF THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE IS NOT ENACTED INTO LAW

Since the filing of Report No. 677 on H. R. 3233, an opinion of the District Court for the District of Columbia, handed down on July 5, 1957, in the *Aircoach Transport Association, Inc., et al. against Atchison, Topeka & Santa Fe Railway Co., et al.*, Civil Action No. 875-57 and its effect on section 22 of the Interstate Commerce Act, makes necessary a clarifying amendment to section 22.

If the amendment to H. R. 3233 is not enacted into law, the above court opinion might, in my opinion, result in the following:

First. Nullify many, if not most, of the advantages to the Government and the carriers of section 22 as a vast majority of Government movements must, for practical purposes, result from joint consideration and negotiation by the carriers.

Second. Destroy a flexible means of major importance, particularly in military operations, such as speedy adjustments of rates, fares, routes, transit privileges, and so forth, and increase the possibility of breach of military security.

Third. Increase the domestic transportation bill of the Government many, many millions of dollars annually.

Fourth. Greatly increase the administrative burden of the Government.

Fifth. Increase litigation involving Government traffic and the possibility that numerous suits will be filed for undercharges on the theory that the jointly established section 22 rates are illegal and, therefore, the only lawful rates are those contained in their published tariffs. In many instances, these would be class rates which are inappropriate for large volumes of Government traffic.

The acting in unison by groups of carriers in connection with the rates and fares for the movement of traffic has been the general practice for years and such action has been of great assistance to both the carriers and the customers in negotiation of rates and fares. It has resulted in substantial savings to shippers in transportation charges, reduction in administrative expenses to both shippers and carriers, and greatly aided in expediting negotiations and the movement of traffic.

Section 5a of the Interstate Commerce Act was enacted in 1948 for the specific purpose of permitting a continuation of that longstanding practice. It was patterned somewhat after the War Production Board, certificate No. 44, which approved joint action by common carriers or freight forwarders through rate bureaus, rate conferences, or similar organizations in the initiation and establishment of rates, fares, and charges and regulations and practices pertaining thereto on Government traffic for the

duration of the war and 6 months thereafter. Congress was, therefore, well aware of the need for this procedure to permit the Government to deal collectively through carriers, rate bureaus, and conferences. Congress did have in mind that section 5a was broad enough to include section 22 quotations otherwise it would have distinguished between the meaning of rates, fares, and charges as used in section 5a from the meaning of these words in other sections of the act.

It has long been the practice of the commercial carriers to work through their bureaus and associations in establishing section 22 rates for the Government, particularly in their group passenger movements, annual passenger agreements and area, territorial and interterritorial adjustments. It is impractical during peacetime and impossible during times of national emergency for the Government to deal with individual carriers.

It is essential that the present procedures for establishing section 22 rates be continued, therefore, the clarifying amendment is offered.

EFFECT ON GOVERNMENT APPROPRIATIONS IF THE AMENDMENT IS NOT ENACTED INTO LAW

If the amendment to H. R. 3233 to be offered by the chairman of the Committee on Interstate and Foreign Commerce is not enacted into law the Government will be required to expend considerably more money in the future for commercial transportation services. Additional appropriated funds will be required both for transportation charges and for increased administrative expenses.

The following are some of the reasons for the additional costs:

First. Much of the traffic which now moves on section 22 rates established under the conference procedure would be transported at unreasonably high rates due to the inability of the carriers to promptly establish reasonable rates.

Second. An increase in traffic management personnel would be required to deal with each carrier individually and to prepare exhibits, testimony and pleadings for presentation before the regulatory bodies, both Federal and State, in establishing reasonable rates for the future.

Third. The Government, being unable to secure rate adjustments prior or retroactively to the movement of traffic, would have to attempt to secure such adjustments through litigation. This would require the preparation, filing, and trial of numerous proceedings before regulatory bodies for reparations, which would be a long drawn out, costly, and time-consuming procedure. This can be avoided by enactment of the proposed amendment.

Fourth. Many adjustments of transportation charges on spot movements would be passed over due to the inability to process such adjustments prior to movement of traffic and the amount of traffic involved would not justify long drawn out and costly litigation.

Fifth. Very extensive increase in litigation involving Government traffic with numerous suits being filed for undercharges on the grounds that the lower joint section 22 rates were illegal and therefore the only lawful rates were the

higher rates and fares contained in published tariffs. These tariff rates are often excessive and inappropriate for particular military movements due to volume or other surrounding circumstances.

Sixth. The possibility of a large number of civil suits and countersuits being filed among the competing modes of transportation as a result of a recent court decision if it is upheld. This condition would result in considerable increased costs to the Government in the handling of such cases in the courts.

Seventh. The duties of the regulatory bodies would be considerably increased by (a) filing of formal and informal complaints; (b) processing of applications for filing of reduced rate tariffs on less than statutory notice; (c) examination and ruling on petitions for investigations and suspensions; and (d) hearings on investigation and suspension proceedings.

The procedure of establishing rates and fares under section 22 of the Interstate Commerce Act by the conference method has been the general practice for many years and has resulted in substantial savings to the Government in transportation charges and administrative expenses. This procedure has also enabled the Government to expedite negotiations and the movement of traffic.

The House Report No. 677 on the bill shows that the Department of Defense alone estimates that the elimination of section 22 rates would initially cost the Government an additional \$120 million annually. If the views expressed in a recent court opinion are upheld it would nullify many of the advantages to the Government of section 22 as the great majority of rates established for the Government result from joint consideration and action by the carriers. Therefore, if the amendment to H. R. 3233 is not enacted into law, the increase in transportation charges and administrative expenses to the Government will amount to many, many millions of dollars.

There is no substance in the argument that this is retroactive legislation or that it is simply an attempt to give the railroads immunity for activities that were plainly illegal when they were committed.

This amendment does nothing more than reaffirm the intent of Congress when it passed section 5a. It is not an attempt to change the words that Congress used when it passed section 5a. It is not an attempt to give the section any meaning that it did not have when it was enacted.

The question whether Congress intended section 5a to cover agreements relating to section 22 rates was fought out at the time that the section was passed. Those who favored the legislation made it clear that one of its purposes was to permit the carriers, subject to the approval and control of the Interstate Commerce Commission, to make agreements for the establishment of section 22 quotations. The armed services supported the legislation on that ground. In the committee hearings on the legislation there was discussion of the practices of the carriers in making section 22 quo-

tations. The committee reports in both the House and Senate emphasized the importance of joint action by the railroads in establishing rates for Government traffic. Everyone knew at that time that a large part of Government traffic moved on section 22 rates.

Those who opposed the bill did so on the ground, among others, that the railroads should not be allowed to act jointly in establishing section 22 rates. When the bill was under consideration in the Senate, Senator Taylor proposed an amendment which would have established a different procedure for section 22 quotations. This amendment was defeated—volume 93, CONGRESSIONAL RECORD, page 7215.

The words of section 5a leave no doubt as to the meaning of the section. The section provides for approval of agreements for the establishment of "rates, fares, and charges." The word "rates" is the same word that is used in section 22.

On what basis can it be said that Congress is not entitled to reaffirm and reiterate that it meant what it said when it passed Section 5a. Surely Congress has the right to reaffirm its own words. Indeed I should think that it has a duty to do so if there can be any possible doubt about what it meant when it passed particular legislation. In this case I should suppose there was no room for doubt but if there is then Congress is entitled to State what its intention was when it passed the legislation.

This reaffirmation of the words and the purpose of Congress does not invade the province of the courts. The courts will still decide how Section 5a is to be interpreted and applied. In my opinion the courts should attach great weight to the Congressional interpretation of the statute and I hope that they will; but the question is still one for the courts. The amendment, therefore, does not take away from anyone any rights to which he may be entitled under the statute. It does not change the statute. It is simply a declaration that the statute meant what it said when it was passed and not something else.

So far as concerns the present law suit under the antitrust laws I do not understand that this amendment will destroy the law suit. I do not understand that it will prevent the plaintiff airlines from asserting any rights that are properly theirs under the law. This amendment has nothing to do with anything except the interpretation of Section 5a of the Interstate Commerce Act. Whatever rights the plaintiffs in the case have under a proper interpretation of that Section they will continue to have. They can still contend for example, that the agreements under which the railroads were acting were not in fact approved by the Interstate Commerce Commission. They can still contend that the railroads have not complied with the agreements.

The attacks on this amendment seem to me to rest on a wholly false premise. They assume that Congress has no right to interpret its own legislative acts. They assume that simply because a congressional enactment is drawn in question in the courts Congress is with-

out power to reaffirm and to reiterate the words that it used in the enactment. I cannot accept this extraordinary and novel restriction on the constitutional powers of Congress. I cannot believe that Congress should abdicate its responsibilities merely because of a decision by a single Federal judge.

Congress, as well as the courts, has a responsibility for the proper interpretation of the laws that Congress passes. Congress is certainly entitled to make it clear that when it passed a statute it meant exactly what the words of the statute said.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

(Mr. WOLVERTON asked and was given permission to revise and extend his remarks.)

Mr. HARRIS. Mr. Chairman, we have no further requests for time and I suggest that the Clerk read.

The CHAIRMAN. Does the gentleman from New Jersey desire to yield time?

Mr. WOLVERTON. Mr. Chairman, I had offered to yield time to the gentleman from Michigan, if he wished it, and that offer still holds good.

Mr. DINGELL. Yes, Mr. Chairman, I wish the gentleman would yield me some time.

Mr. WOLVERTON. I realize the gentleman has spoken once, but I always feel that a member of the committee ought to have an opportunity to express himself.

The CHAIRMAN. How much time does the gentleman from New Jersey yield to the gentleman from Michigan?

Mr. WOLVERTON. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. I just want to say that I have great respect for the distinguished ranking member of our committee. I think he is a very fine and very able man. But, I asked him on this floor and I want everybody to note this, to tell me one specific instance in that committee report or in the documents that he discussed where it was specifically stated that section 5 applied to section 22, and he could not tell me. So I ask the Members of this House to just recall that in their consideration of this bill.

Mr. WOLVERTON. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. If I have any time I am glad to yield to the gentleman.

Mr. WOLVERTON. The gentleman from Michigan should not say that I could not give him that information; but rather he should say I did not give him the information.

Mr. DINGELL. Then I will say that the gentleman did not.

Mr. WOLVERTON. As I was saying, the gentleman should understand that I did not give him the information in detail because I told him where he could obtain the information. There he would find sufficient evidence to answer his question that there would not be any further question in his mind, and if the gentleman should read what is in the reports when the original bill was before the House it would answer the questions he has asked. There are too

many instances there to include them all in my remarks.

Mr. DINGELL. I just asked the gentleman to point out one instance and I asked everyone in the House here to recall that the gentleman could not point out one single instance.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOLIFIELD. Mr. Chairman, I ask the chairman of the committee at this time to yield to me to ask certain questions, in lieu of asking for time.

The CHAIRMAN. Does the gentleman desire time?

Mr. HOLIFIELD. Yes.

Mr. HARRIS. Mr. Chairman, I yield 5 minutes to the gentleman from California.

Mr. HOLIFIELD. Mr. Chairman, due to other committee duties, I have not had time to study this bill sufficiently, but I have received a communication from the Independent Airlines Association, in which certain statements are made. As I have not had time to study the bill, I wish the chairman would respond to these questions. The letter is from the Independent Airlines Association, under date of July 29. In the second paragraph it reads:

Last Thursday, July 25, the Interstate and Foreign Commerce Committee approved submission as a committee amendment of an amendment to H. R. 3233. If adopted, this amendment would (1) legalize retroactively certain practices of the railroads which have been found to be unlawful under the Sherman and Clayton Anti-Trust Acts.

Will the Chairman tell me if that is true, and if it is not, please explain it to me.

Mr. HARRIS. If the question that is raised by the letter is referring to the particular suit which the Airline Association filed, and which the judge ruled on, then in my opinion that is not a correct statement.

Mr. HOLIFIELD. It is not a correct statement in the gentleman's opinion.

Mr. HARRIS. That is right.

Mr. HOLIFIELD. You say if it refers to a particular suit. Would this legalize retroactively certain practices of the railroads in the future which have been found to be unlawful under the Sherman and Clayton Anti-Trust Act?

Mr. HARRIS. In my opinion it would not other than the application of section 5 (a) of Interstate Commerce Act to section 22 rates.

Mr. HOLIFIELD. The second question: "Would grant the railroads an immunity against such practices in the future."

The gentleman has just answered that in the negative.

Third: "Would decide in favor of the railroad defendants a suit now pending before the Court of Appeals for the District of Columbia."

Mr. HARRIS. It would not. It would not touch that suit at all, and there is no intention for it to do so.

Mr. HOLIFIELD. The fourth question: "Would grant the railroads a privilege enjoyed by no other segment of American industry, of being exempt both from regulations of the Interstate Commerce Commission and Antitrust

Acts with respect to carriage for the United States Government."

Mr. HARRIS. That would require a little more explanation. When section 22 was adopted in the Interstate Commerce Act it took from the regulatory agency, the ICC, the authority and responsibility for determining reduced or free rates. So, therefore, in all the years that that section has been administered, the Interstate Commerce Commission was not given authority to make and determine the reasonableness of the rates, because those rates were to be made by other agencies of the Government involved and the carriers involved. It is true that during all the years of the Interstate Commerce Act no other segment of industry has enjoyed that kind of treatment, because the Interstate Commerce Commission is charged with the responsibility of determining the reasonableness of all rates for shippers.

Mr. HOLIFIELD. So in this particular area, then, the Government has enjoyed a privilege over the years under section 22 of asking common carriers to competitively bid on the carrying of property and personnel.

Mr. HARRIS. That is the reason this whole subject has developed. They have not permitted the competitive element to work. So it is contended that the Government will go to a particular carrier or certain carriers and enter into secret agreements with them for the movement of certain goods, and therefore eliminate the competitive situation altogether.

It is further claimed that the Government can use any method or means it wants to in having a certain carrier or certain carriers move certain goods or passengers at a certain rate. Therefore, we thought that by requiring the filing of those rates with the Interstate Commerce Commission such situation could no longer prevail.

Mr. HOLIFIELD. But by the very filing of those rates does it not engage them in litigation? Is it not possible that litigation can be instituted which will prevent the Government from obtaining the advantage of special rates on its transportation?

Mr. HARRIS. No, it could not at all.

Mr. HOLIFIELD. I was the author of the Federal Property and Administrative Act of 1949, in which the General Services Administration was given the privilege of appearing before public utilities of different kinds and representing departments of the Government in seeking to obtain savings for the Government. As I understand, this bill will cripple them in carrying forward their duties under this act as they have in the past; they cannot seek these advantages to the Government that they have in the past. Is that right?

Mr. HARRIS. Yes, they can; they can proceed with the same advantages that they had except the fact that they will have to make it public, they will have to make these quotations public.

The CHAIRMAN. The time of the gentleman from California has expired.

(Mr. HARRIS yielded 2 additional minutes to Mr. HOLIFIELD.)

Mr. HOLIFIELD. At this time, as I understand, the complaint of the other carriers, other than the railroads, has been that the railroads have been engaged in spot rate reductions wherever it would benefit them to put a competitor out of business and that in this suit against them in the district court, the court did find that this had occurred and that it occurred by concerted action among the railroads; and, therefore, the court ordered them to cease and desist this practice and not use these spot rate reductions to eliminate competition in carrying, as I understood the court record which I have here in my hand. Is that true?

Mr. HARRIS. That is true. That is the suit that is referred to as the special variable rate case.

Mr. HOLIFIELD. In other words, if the railroads quoted a reduced rate to everybody that would be all right, but the court has said that what they cannot do is to cut certain rates below the cost of competition and thereby put the competition out of business. Is that right?

Mr. HARRIS. I am sorry, I did not understand the question.

Mr. HOLIFIELD. The court has ordered them to cease and desist from reducing their rates as much as 50 percent in spot locations where the intent is not to give a good rate to the Government but to put a competitor out of business. Is that substantially what they have ordered?

Mr. HARRIS. That is my understanding; yes.

Mr. HOLIFIELD. Does the gentleman say that this legislation will not affect the suit that is now pending in the courts?

Mr. HARRIS. It will positively not, or any other action that might be brought.

Mr. HOLIFIELD. In other words that suit can be pursued to the higher courts.

Mr. HARRIS. Yes.

Mr. Chairman, under unanimous consent obtained today, I append hereto a memorandum prepared by the independent airlines on H. R. 3233. I also append the court order of Judge Joseph C. McGarraghy and a memorandum on the case, also prepared by Judge Joseph C. McGarraghy.

MEMORANDUM ON H. R. 3233 AND PROPOSED COMMITTEE AMENDMENT

A committee amendment, adopted July 25, 1957, would amend H. R. 3233 to provide that the provisions of paragraph 9 of section 5 (a) of the Interstate Commerce Act shall apply "as to any agreement so approved by the [Interstate Commerce] Commission under which any such quotation or tender (a) was made prior to the effective date of this paragraph."

Paragraph 9 of section 5 (a) of the Interstate Commerce Act grants the railroads immunity from the antitrust laws. The "quotations or tenders" referred to in the proposed amendment are those made for the carriage of personnel or freight for the Government under section 22 of the Interstate Commerce Act, which permits the railroads to carry this traffic "free or at reduced rates." The clear and conceded purpose of the amendment is to exempt the railroads, retroactively, from the scope of the antitrust acts insofar as Government carriage

is concerned. The reason for the legislation is to be found in an opinion of Judge McGarraghy of the District Court for the District of Columbia, dated July 5, 1957, finding that the railroads have engaged in certain rate practices, illegal under the anti-trust acts, in bidding for this traffic, and enjoining the continuance of such practices. (A copy of the opinion and order are attached hereto.)

The proposed amendment is specifically designed to retroactively legalize practices which were found to be unlawful and to destroy any claims arising out of prior illegal conduct. It would further enable the railroad industry to conduct certain destructive rate practices and legislatively annul the injunction order from which the railroads have already appealed to the Court of Appeals for the District of Columbia.

The pending suit is one brought by a group of noncertificated air carriers, associated under the name of Aircoach Transport Association, against the principal railroads of the country. They complained of two practices of the railroads. First, the use of special variable rate quotations. Until September 1953, the railroads bid for Government traffic at 10 percent below their published tariffs. At that time they began the practice of submitting variable spot quotations; that is, whatever was required to take the business away from their competitors. Admittedly, these spot quotations were as much as 50 percent below their published tariffs, though the railroads had previously asserted that they lost money even on bids of only 10 percent below their tariffs. The consequence has been to drive competitors out of this market, with the obvious intention of raising railroad rates once competition has been completely eliminated. The second practice was that of submitting package or all-or-nothing bids. For example, if a shipload of troops was to be moved from a port of entry to five different destinations around the country, the railroads would submit a package bid for the entire movement. In consequence, airlines and other competitors were unable to bid for portions of the proposed movements. These—and only these—are the practices which are attacked by the order of the district court.

This is made crystal clear by the order entered by the court. It states, in paragraph 4, that—

"Nothing provided in [this order] shall prevent or preclude defendants [the railroads] * * * from submitting any rate quotations, concertedly arrived at, for the transportation of persons for the United States at free or reduced rates under * * * section 22 of the Interstate Commerce Act * * *, without regard to the level of the rates."

Proponents of the proposed amendment have engaged in a widespread effort to make it appear that Judge McGarraghy's decision would prevent the Government from obtaining reduced rates under section 22 and would prevent the submission of joint through rates by the railroads. Both of these claims are demonstrably false, since the order specifically provides that neither of these practices are prohibited. The railroads can continue to make reduced rate quotations to the Government and can even carry Government traffic at no charge whatsoever, so long as they do not engage in the practice of continually varying their rates to destroy competition. Moreover, to the extent that the order prohibits all-or-nothing packaging of railroad bids, the Government will save money by being able to choose the most economical mode of transportation for any segment of a large multipoint movement.

The only things prohibited by the court order are the two unfair competitive devices which the railroads have used in an effort to obtain a monopoly of this business.

The use of variable spot quotations is unfair, because the railroads are not required to, and never have filed tariffs with the Interstate Commerce Commission on rates to be charged the Government. Air carriers are required to file their tariffs for this traffic with the Civil Aeronautics Board. It is worth emphasizing that the pending amendment would not require the railroads to file their tariffs or in any way subject them to the jurisdiction of the Interstate Commerce Commission to set aside section 22 quotations as unreasonable. The pending amendment would therefore continue, rather than eliminate, this unfair competitive practice. The system of package bidding is unfair, because even where air carriers can successfully underbid the railroads for a portion of a movement, with consequent savings to the Government, the package bid precludes this result. This unfair competitive practice would not be changed by the proposed amendment, and the railroads would be granted an immunity under the antitrust acts while engaging in it.

Essentially, the proposed amendment would extend the provisions of section 5 (a) of the Reed-Bulwinkle Act of 1948 to cover carriage for the Government. The Reed-Bulwinkle Act granted the railroads immunity from the antitrust laws, by transferring to the Interstate Commerce Commission the powers which had previously rested in the district courts of the United States to enforce the antitrust acts insofar as the railroads were concerned. But, and this is the essential point of the entire argument, this was done only in those cases where the ICC had control of the resulting rates. Because of the provisions of section 22 of the Interstate Commerce Act, the ICC has no control over the rates charged the Government and the use of reduced rates on a variable basis as a destructive competitive device. What the pending amendment proposes, therefore, is that these rates are not to be subject to the jurisdiction of the ICC, and are not to be subject to the antitrust laws. With none of the usual provisions for approval or suspension of applicable rates, the railroads would be given a blanket and retroactive exemption from the antitrust laws.

The proposal is therefore unsound in theory; the railroads are not entitled to have it both ways, and be free both of the regulation of the ICC and of the antitrust laws. If adopted, this amendment would set up an island of privilege not enjoyed by any enterprise in the United States, in regulated industry or out of it.

And the occasion for introducing the amendment is inappropriate. It has not been denied that this amendment is designed, retroactively, to legalize practices found by a court of law, in a civil suit between private parties, to be unlawful, and that the decision of a district court is the reason for introducing the amendment at this time. It is, at the least, unseemly for the Congress, by special legislation, to intervene in a matter which is the subject of private litigation. Leaving to one side the constitutional question whether the doctrine of separation of powers gives the Congress the power to set aside a judgment granted by a constitutional court, it is, and will appear to be, an act of the grossest partisanship for the Congress to determine, legislatively, the outcome of an action at law. The proper course for us to pursue is to await the outcome of this legislation. When the higher courts have spoken, we will then be in a position to legislate, if legislation be found necessary, with an accurate knowledge of the scope and meaning of present law. This is the view which the Congress has followed. It is disruptive of all normal procedures to transfer litigation, pending on appeal, from the courts to the halls of Congress.

It is asserted that the interests of the Department of Defense are involved, but the basis of that interest has been distorted. The order entered in the Court, as has been seen, specifically provides that the railroads may continue to carry this traffic at free or reduced rates, as section 22 of the Interstate Commerce Act provides. Unless the railroads choose to extract a specious and unwarranted advantage from this decision, and, by arguing that the order forbids what it specifically and clearly permits, charge the Government higher rates, there can be no loss to the Government. And if they do attempt such a maneuver, the free play of competition will be available to preclude any undue increase in the costs of this carriage to the Government.

There are other governmental interests at stake. The Department of Justice, in the case of *United States v. North American Van Lines, Inc.* ((D. C., N. Mex.), Criminal No. 19, 207), has taken the same position as did the plaintiffs in the Aircoach case, and was upheld in its position by a ruling of the Court on May 27, 1957. Can it be said that the Government does not have an interest in seeing to enforcement of the antitrust laws? And the military establishment itself has a vital interest in maintaining competition in this field. At the time of the Berlin airlift, at the time of the difficulties in Korea, and during the Hungarian refugee crisis, these supplemental air carriers had the only available equipment necessary for speedy movement of troops, persons, and supplies. The extinction of this industry, which is what the proposed amendment would achieve, would deprive us of the one available tool for speedy transportation in the event of any sudden emergency.

The proposed amendment was adopted without any hearings, without notice to the members of the committee that it was to be considered, and, I am reliably informed, at a time when a quorum of the committee was no longer present. Many of us were unable to be present because of pressing commitments elsewhere. The proper course is to recommit the proposed amendment to the committee in order that there may be an opportunity for full hearing and consideration of this measure. Alternative proposals have been submitted which are, in my judgment, fair methods of handling these problems. These should be carefully considered by the full committee, after it has had an opportunity to thoroughly study the entire problem.

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA—AIRCOACH TRANSPORT ASSOCIATION, INC., ETC., ET AL., PLAINTIFFS V. ATCHISON, TOPEKA, AND SANTA FE RAILWAY CO., ETC., ET AL., DEFENDANTS—CIVIL ACTION No. 875-57

MEMORANDUM

Since October 1, 1946, the defendant railroads have been transporting military personnel on official business under a reduced rate agreement known as the joint military passenger agreement providing that the railroads would charge the Military Establishment a standard or uniform discount of 10 percent below their filed commercial tariffs. Commencing in 1953, the defendants began the practice of making concerted quotations to the military establishment of special rates varying to as low as 50 percent below the defendants' regularly filed tariffs.

The plaintiffs who are supplemental air carriers have brought this action to enjoin said concerted special rates and for treble damages, alleging violation of the Sherman Act and of the Clayton Act. With the filing of the complaint, the plaintiffs moved for a preliminary injunction. Prior to hearing on that motion, certain of the defendants moved to dismiss or in the alternative for summary judgment and certain other defendants filed motions for summary judgment.

ment. The plaintiffs also filed a motion for summary judgment.

The defendants claim that the bids which are attacked by the complaint as being in violation of the antitrust laws have been made pursuant to and in conformity with agreements approved by the Interstate Commerce Commission and, therefore, that they are expressly relieved from the operation of the antitrust laws with respect to the practices complained of by section 5a of the Interstate Commerce Act. Further, the defendants say that the subject matter of this suit is within the exclusive primary jurisdiction of the Interstate Commerce Commission and that this court is without jurisdiction to grant relief to the plaintiffs.

With reference to the points of law raised by the several motions which have been argued fully and briefed exhaustively, the court is of the opinion as follows:

1. The antitrust immunity conferred by section 5a of the Interstate Commerce Act does not apply to concerted section 22 quotations made to the United States Government.

2. The Interstate Commerce Commission has never immunized defendants' concerted section 22 quotations.

3. The Interstate Commerce Commission does not have primary jurisdiction over the subject matter of this suit.

4. The concerted section 22 quotations of defendants are illegal per se under the antitrust laws.

5. The defenses raised by the defendants are insufficient as a matter of law and there is no genuine issue as to any material fact.

Accordingly, the plaintiffs' motion for summary judgment except as to damages will be granted and the defendants will be enjoined in accordance with the prayers of the complaint.

Counsel for plaintiffs will submit an order in conformity with this memorandum.

JOSEPH C. MCGARRAGHY,
Judge.

JULY 5, 1957.

IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA—AIRCOACH TRANSPORT ASSOCIATION, INC., ETC., ET AL., PLAINTIFFS, V. ATCHISON, TOPEKA & SANTA FE RAILWAY CO., ETC., ET AL., DEFENDANTS—CIVIL ACTION No. 875-57

ORDER

The cause having been heard on defendants' motion to dismiss the complaint or in the alternative for summary judgment pursuant to Rules 12 and 56 of the Federal Rules of Civil Procedure and on plaintiffs' cross-motion for summary judgment for the relief requested in the complaint except as to the amount of damages pursuant to rule 56, subparagraphs (a), (c), and (d) of the Federal Rules of Civil Procedure and upon due and careful consideration of all of the papers, documents and materials heretofore submitted to the court herein and having heard oral argument thereon, it is now hereby ordered.

(a) That defendants' motion to dismiss the complaint, or in the alternative for summary judgment pursuant to rules 12 and 56 of the Federal Rules of Civil Procedure be and the same is hereby denied and plaintiffs' cross-motion for summary judgment with respect to the injunctive relief demanded in the complaint, which relief excludes the amount of the damages, under and pursuant to rule 56, subparagraphs (a), (c), and (d) of the Federal Rules of Civil Procedure be and the same is hereby granted;

(b) That the court finds, in accordance with rule 54, subparagraph (b), that no just reason for delay exists with respect to the entry of final judgment upon plaintiffs' claim for injunctive relief, and that the entry of such judgment is hereby expressly directed; and

(c) Whereas plaintiffs have conceded on the record that no injury has been caused them by the uniform 10 percent fare allowance provided in section 6 (a) of Joint Military Passenger Agreement No. 29, as extended, to which defendants are parties, defendants and each of them, and their officers, directors, servants and employees, and all persons, natural and corporate, acting for or in concert with each or any of them, are permanently enjoined and restrained from:

1. Engaging in and continuing to engage in the practice of making special variable rate quotations, concertedly arrived at, pursuant to section 22 of the Interstate Commerce Act, as amended (49 U. S. C. 22), to the Department of Defense and/or any agency of the Military Establishment for the transportation of military personnel traveling at Government expense in groups of 15 or more within the continental United States, whether such concerted joint special variable rate quotations are submitted to the military agencies under section 2 (a) of Joint Military Passenger Agreement No. 29, as extended, to which defendants are parties, or otherwise;

2. Submitting to the Department of Defense and/or any other agency of the Military Establishment concertedly arrived at package or nonseverable rate quotations under section 22 of the Interstate Commerce Act, as amended (49 U. S. C. 22), for movements of military personnel traveling at Government expense in groups of 15 or more within the continental United States where such movements have a common point of origin and 2 or more points of destination;

3. Submitting to the Department of Defense and/or any other agency of the Military Establishment concertedly arrived at package or nonseverable rate quotations under section 22 of the Interstate Commerce Act, as amended (49 U. S. C. 22), for movements of military personnel traveling at Government expense in groups of 15 or more within the continental United States where such movements have a common point of destination and 2 or more points of origin;

4. Nothing provided in subparagraphs (1), (2), or (3) above shall prevent or preclude defendants and each of them, their officers, directors, servants and employees and all persons, natural and corporate, acting for or in concert with each or any of them or under their control, direction, permission, or license from submitting any rate quotations, concertedly arrived at, for the transportation of persons for the Government of the United States at free or reduced rates under and pursuant to section 22 of the Interstate Commerce Act, as amended (49 U. S. C. 22), without regard to the level of the rates, where such rate quotations are made for through transportation between any two specific points over a single route, portions of which are operated by two or more railroads, nor shall the provisions of subparagraphs (1), (2), or (3) above require defendants and each of them, and their officers, directors, servants, and employees, and all persons, natural and corporate, acting for or in concert with each or any of them, to discriminate as to such rate quotations between two or more railroads connecting with any defendant railroad in offering through transportation between any two specific points over a single route; nor shall the provisions of subparagraphs (1), (2), and (3) above apply to the making of rate quotations for traffic not in competition with the four named plaintiff air carriers or any other presently noncertificated air carrier similarly situated who may thereafter be permitted by order of the court to intervene; and it is further ordered,

(d) That the court hereby retains jurisdiction and directs that hearings be held and evidence be taken solely as to the amount of damages suffered by each of the

plaintiffs by reason of the rate activities enjoined above or which may hereafter be enjoined in the cause; and it is further ordered

(e) That this court, upon its own motion or upon the motion of any party hereto, may make and enter from time to time such other and further orders as are appropriate for the effectuation of the determination and decision of this court filed July 5, 1957;

(f) That the provisions of paragraph (c) above are stayed for a period not exceeding 10 days from the date hereof to permit defendants to apply for a further stay to the Court of Appeals for the District of Columbia.

JOSEPH C. MCGARRAGHY,
United States District Judge.

JULY 17, 1957.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. TEWES. Mr. Chairman, will the chairman of the committee yield for a statement?

Mr. WOLVERTON. Mr. Chairman, I yield 1 minute to the gentleman from Wisconsin [Mr. TEWES].

Mr. TEWES. This is complicated and technical legislation, and I would just like to state the purpose, and then have the chairman of the committee correct me if I am in error.

As I understand it, section 22 of the Interstate Commerce Act permits the railroads to enter into agreements with the Government for the movement of troops at reduced rates.

Mr. HARRIS. Not only railroads, but all other common carriers.

Mr. TEWES. Then this bill as introduced by the committee and as amended provides that section 22 will be limited to national emergencies.

Mr. HARRIS. No, that is not true at all. That was the original bill that was introduced, but as the committee amended it we did not change the original procedure.

Mr. TEWES. Then the court came along and surprisingly ruled that these contracts were subject to the antitrust regulations?

Mr. HARRIS. The court held that section 5 (a) did not apply to section 22 rates.

Mr. TEWES. But the effect is as I have stated it?

Mr. HARRIS. Yes.

Mr. TEWES. The committee has another amendment which says that these agreements in the future will not be subject to the antitrust regulations, is that correct?

Mr. HARRIS. It would restate the fact that the Bulwinkle Act, that is section 5 (a), is applicable to section 22 as it is to all other rates.

Mr. TEWES. So that the committee amendment which is to be offered would then in effect reverse the ruling of the court?

Mr. HARRIS. Only as it would make applicable section 5 (a) to section 22 rates.

Mr. TEWES. I want to clarify one more point. As far as the committee is concerned, however, the charge that this legislation is retroactive and would actually vitiate any damages which have been assessed is incorrect?

Mr. HARRIS. That is incorrect. It does not make retroactive the legislation

insofar as the movement of goods is concerned; it makes retroactive the agreements that might have been made or tenders or offers under which future deliveries are to be made.

Mr. TEWES. Anybody who has been aggrieved and has been ruled by a court to have been aggrieved would be entitled to have damages, even though we pass the amendment which is going to be offered by the committee?

Mr. HARRIS. That is my understanding of the objective.

Mr. TEWES. I thank the gentleman.

The CHAIRMAN. If there are no further requests for time the Clerk, pursuant to the rule, will read the substitute amendment printed in the bill as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted, etc., That section 22 of the Interstate Commerce Act, as amended (49 U. S. C., sec. 22), is amended as follows:

(a) By inserting "(1)" immediately after "Sec. 22."

(b) By striking out the words "nothing in this part" where they appear after the first semicolon and inserting the following: "except that the foregoing provisions of this section shall not apply to the carriage, storage, or handling of shipments of 'household goods' as defined by the Interstate Commerce Commission in Practices of Motor Common Carriers of Household Goods (17 M. C. C. 467) by duly authorized motor common carriers of household goods, when such carriage, storage, or handling is for the United States Government. Nothing in this part."

(c) By inserting at the end of such section the following:

"(2) All quotations or tenders under paragraph (1) of this section for the transportation, storage, or handling of property or the transportation of persons free or at reduced rates for the United States Government, or any agency or department thereof, including quotations for retroactive application whether negotiated or renegotiated after the services have been performed, shall be in writing or confirmed in writing and a copy or copies thereof shall be submitted to the Commission by the carrier or carriers offering such tenders or quotations in the manner specified by the Commission. Submittal of such quotations or tenders to the Commission shall be made concurrently with submittal to the United States Government, or any agency or department thereof, for whose account the quotations or tenders are offered or for whom the proposed services are to be rendered. Such quotations or tenders shall be preserved by the Commission for public inspection. The provisions of this paragraph shall not apply to any quotation or tender which, as indicated by the United States Government, or any agency or department thereof, to any carrier or carriers, involves information the disclosure of which would endanger the national security."

Mr. HARRIS. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Amendment offered by Mr. HARRIS: Page 4, line 15, after the word "tenders" insert the words "of rates, fares, or charges."

Page 4, line 19, after the word "quotations" insert the words "or tenders."

Page 4, line 24, after the word "Commission" strike the period and insert the following: "and only upon the submittal of such a quotation or tender made pursuant to an agreement approved by the Commission under section 5a of this act shall the provisions of paragraph (9) of said section

5a apply, but said provisions shall continue to apply as to any agreement so approved by the Commission under which any such quotation or tender (a) was made prior to the effective date of this paragraph or (b) is hereafter made and for security reasons, as hereinafter provided, is not submitted to the Commission."

Page 5, line 6, after the word "paragraph" insert the following: "requiring submissions to the Commission."

Mr. HARRIS. Mr. Chairman, the committee approved this amendment as a result of the request of the Department of Defense. The Department of Defense submitted a statement which has been referred to stating what the result of the opinion of the court would be if that opinion prevailed. The gentleman from Texas [Mr. MAHON] referred to it.

I have a letter here which was delivered to me under date of July 29 from the Assistant Secretary of Defense in which he encloses a statement giving the Department of Defense reasons why they are supporting this amendment and that this amendment is needed. In doing so, they say:

If the amendment is not enacted into law, the above court opinion will result in the following:

(a) Nullify many, if not most, of the advantages to the Government and the carriers of section 22, as a vast majority of Government movements must, for practical purposes, result from joint consideration and negotiation by the carriers.

(b) Destroy a flexible means of major importance particularly in military operations, such as speedy adjustment of rates, fares, charges, transit privileges, and so forth, and increase the possibility of breach of military security.

(c) Will increase the domestic transportation bill of the Government many, many millions of dollars annually.

(d) Greatly increase the administrative burden of the Government.

Then the Department of Defense goes ahead in another statement, which contains a page and a half, and explains why the amendment is necessary, and the substantial advantages which the Government has always received from section 22 rates.

In 1948 the Congress enacted section 5 (a) of the Interstate Commerce Act, the so-called Reed-Bulwinkle Act, providing machinery by which common carriers subject to regulation by the Interstate Commerce Commission, might obtain immunity from the antitrust laws in establishing their rates, fares, and charges and rules or regulations pertaining thereto. Under that act of 1948 they—that is, the carriers—may apply to the Commission for the approval of agreements relating to rates, fares, and charges and rules and regulations pertaining thereto or procedures for joint consideration, initiation or establishment of such rates, fares, and charges. If the Commission finds that approval of the agreement is not prohibited under certain provisions of section 5 (a) and if it finds that by reason of the furtherance of the national transportation policy relief from the operation of the antitrust laws should apply with respect to the making of the agreement and with respect to the carrying out of the agree-

ment, the Commission shall grant its approval.

Then upon the approval of the agreement the parties thereto are relieved from the operation of the antitrust laws in establishing rates, fares, and charges, but only if they follow the procedure set out in the agreement.

In enacting this legislation it was the intention of Congress, as the gentleman from New Jersey [Mr. WOLVERTON] has so clearly pointed out, that section 5a should apply to agreements relating to, or procedures for the joint consideration, initiation, or establishment of rates, fares, and charges, and rules or regulations pertaining thereto under section 22 of the Interstate Commerce Act. The Members of this Congress who were also Members of that earlier Congress, and whether they supported or opposed the enactment of section 5a, know this to be the case.

Since 1948 those carriers—not just railroads—but all common carriers subject to the regulation of the Interstate Commerce Commission and the Government agencies to whom they quote rates under authority of section 22 have acted on the assumption, and properly so, that the provision of section 5a carried out the intention of Congress. The suit that was recently referred to was a controversy involving a group of airlines on the one hand and a group of railroads on the other, where the Federal judge held that the antitrust immunity conferred by section 5 (a) of the Interstate Commerce Act does not apply to concerted section 22 quotations made to the United States Government. This holding not only condemns such actions in the past, but makes them illegal in the future.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

(Mr. HARRIS asked and was given permission to proceed for 5 additional minutes.)

Mr. HARRIS. It seems highly desirable that the Congress take cognizance of this holding and its effect upon section 5 (a) of the Interstate Commerce Act. It is contrary to the congressional intent in enacting section 5 (a) and, insofar as the future is concerned, amounts to a repeal of congressional intent with respect to section 5 (a).

It is not necessary for this Congress to determine anew that section 5 (a) should cover the making of section 22 quotations. That determination was made by the prior Congress. It is, however, highly desirable and only fair, for the benefit of those who seek to ascertain the intention, that this Congress now state its understanding of the congressional intent when it enacted section 5 (a). In so doing, it is necessary then only to reaffirm that intention while assuring its full recognition in the future.

This is not retroactive legislation. It does not destroy past accrued rights, whatever they might be.

The proposed amendment is for the purpose of assuring by specific language that such intention will be carried out in the future and reaffirming the intention of Congress in the passage of section 5 (a). It provides that with respect

to agreements heretofore approved by the Interstate Commerce Commission the immunity which Congress intended by section 5 (a) shall continue to apply. It assures that the common carriers can continue to offer and the Department of Defense and other governmental agencies can continue to accept and utilize section 22 quotations arrived at through the conference method of ratemaking, which method the Department of Defense has repeatedly stated is the only practicable way in which the railroads can do business with Defense and other agencies.

It makes clear, I repeat, that the immunity intended by Congress to attach to agreements prepared by the carriers, submitted to the Commission, made the subject of extensive hearings, and finally approved, shall continue to apply to those agreements.

This suit involves more than one thing. As to the first question involved in the suit, does 5 (a) cover submission of agreements to the Interstate Commerce Commission with respect to section 22 quoted rates? The Court says "No." But the suit does more than that. Assume, then, that it does apply, did the agreements approved by the Interstate Commerce Commission actually cover section 22 rates? That is what is involved in the suit. If so, did the railroads proceed in accordance with the terms of the agreement? Those are the questions that are involved in the lawsuit and those are the questions that are not touched by this amendment.

Mr. KEATING. Mr. Chairman will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from New York.

Mr. KEATING. Would it be an exaggeration to say that the effect of the decision was to make virtually a dead letter of section 22, and that the effect of the gentleman's amendment is to breathe new life into section 22?

Mr. HARRIS. Yes. That is what the retroactive feature amounts to, as to any past agreements carried out under section 5 (a) submitted to the Interstate Commerce Commission and approved by the Commission as the law provides. That is what the retroactive feature applies to. If this is not adopted, all of those agreements in effect, the quotations and tenders that have been made, are invalid as of right now, and therefore all of this movement which moves today, and tomorrow, is in jeopardy. That is where we have the Government involved in something where it cannot help itself. I say it is the duty of this Congress to take cognizance of that situation and clarify it as of now and not take any chance on what might be done a year or two from now.

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from California.

Mr. SISK. May I inquire of the gentleman relative to the urgency of the particular amendment he has now proposed? I ask this question for this reason: I find that the telegrams I have received today, in fact, the last 2 or 3 days, indicate that no hearings of any

kind were held on this matter. I believe the gentleman stated that.

Mr. HARRIS. No; I did not state that. This matter of section 22 has been before us for years. In 1955 we held hearings over the entire question of section 22 and these agreements, the same thing that is involved here, again in 1956, and again this year.

I think the amendment is highly important and should be adopted.

Mr. DINGELL. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from Arkansas.

The Clerk read as follows:

Amendment offered by Mr. DINGELL to the amendment offered by Mr. HARRIS: Strike out the period at the end of the matter inserted by the amendment and insert in lieu thereof the following: "Provided, That nothing in this paragraph shall affect any liability or cause of action which may have accrued prior to the date on which this paragraph takes effect."

Mr. HALE. Mr. Chairman, I make the point of order against the amendment that it is an amendment in the third degree.

The CHAIRMAN. The Chair overrules the point of order for the reason that the rule makes it in order to consider the committee amendment, for the purpose of amendment, as an original bill.

Mr. DINGELL. Mr. Chairman, I am opposed to the committee amendment which was just offered by my distinguished colleague and good friend, the chairman of the committee. I will not vote for the committee amendment to the bill even if my amendment is adopted—but, my amendment makes the committee amendment a much better and a much more palatable thing. It merely does this. It preserves in any person the right, which they had under any lawsuit that they had started or might have started. I would like to ask the chairman of our committee at this time if he will accept my amendment. I yield to the gentleman from Arkansas [Mr. HARRIS].

Mr. HARRIS. I will express my view on it when the gentleman has concluded.

Mr. DINGELL. Very well. Now, Mr. Chairman, to get right down to this question, What is the situation on this committee amendment? The bill was reported out of the House Committee on Interstate and Foreign Commerce. A rule was obtained. Then came this decision by Judge McGarraghy. I am not carrying any brief for Judge McGarraghy, because I do not know him and I have never met him, but I do know this: We have been told here today by our distinguished colleague, the gentleman from New Jersey [Mr. WOLVERTON], that he recalls and he knows what the intent of the Congress was when this bill was first passed. Well, I was not in the Congress at that time and I do not happen to know that intent, and I think there are many of us here who might join with me in that position, and being confronted with the same problem. But let us look at this. What are we doing here? We are, in effect, rushing out to pull the chestnuts out of the fire for the railroads. The railroads come here and they say, "We have to have this amendment. We

just have to have it." Well, my colleagues, just look at yourselves. You are sitting here not as a Congress of the United States but you are sitting here merely as a circuit court of appeals, and, as I said, we are overruling the decision of a mere United States district-court judge. That is what we are doing. We are sitting here as an appellate body. It has been said here that section 5a always applied to section 22 in the Interstate Commerce Act. It just so happens that a court of the United States, a district court in New Mexico, some months ago said that it did not, and the court said that in a lawsuit which was filed by the United States Attorney General in an antitrust proceeding. This committee amendment, if it is adopted, may very well overrule the decision which a group of little airlines have gotten giving them the right to a \$45 million judgment. It may very well overrule a very substantial antitrust case which has been filed in the State of Georgia. It may very well overrule other lawsuits which may well be pending all around this country. Here is what we are doing. We are rushing out and we are holding hearings on an antitrust matter on the floor of the Congress. No hearings were held on this before our committee.

I was up testifying against or trying to testify against the gas bill in the House Committee on Rules when this committee amendment was accepted. At the time I left the Interstate Commerce Committee I was standing right beside my colleague, the gentleman from Texas [Mr. DIES], who asked the Chair: "Now, Mr. Chairman, we have to go over to testify on this gas bill. Is there going to be any controversial legislation coming up today?" And the Chair said, "No." I believe the Chair meant that there was going to be no controversial legislation because I did not think the Chair realized that this was going to be controversial. But the fact of the matter is that this legislation came up in our absence and it was voted out of the committee without anybody realizing the ramifications of it or knowing what it does. The truckers of this country are opposed to the committee amendment. The airlines, the little independent airlines are opposed to this particular amendment. No one on the committee fully knows or understands what this amendment will do. No testimony was taken.

Now, our distinguished colleague, the gentleman from New Jersey [Mr. WOLVERTON], for whom I have immense personal respect, told you here that he knew what the Congress intended and what the Congress had in mind when they first passed the Reed-Bulwinkle Act. And, I believe, he does know. But I want you to recall that I asked the gentleman to point out one place in the reports or one place in the documents or one place in the debate where it was said by the House at the time that this section 5 of this Reed-Bulwinkle Act, so called, applied to section 22, and he either did not or could not or would not give me the courtesy of telling me what

exactly that language was and where it appeared.

Now here is what Judge McGarraghy's decision says. He said it was wrong—that it was a violation of the antitrust laws for the railroads to go in and to pick and choose and to take and make variable rate quotations to the Government for the purpose of driving out of business other industries, and for the purpose of destroying competition. That is what he said.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, at the request of Mr. FLYNT, Mr. DINGELL was granted 5 additional minutes.)

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Connecticut.

Mr. MORANO. The gentleman made the statement that this amendment offered by the committee is pulling the chestnuts out of the fire for the railroads.

Mr. DINGELL. I made that statement.

Mr. MORANO. I do not wish to be considered to be in the position of doing that. I understand that the Defense Department and other agencies downtown want this amendment. How does the gentleman explain that?

Mr. DINGELL. Will the gentleman let me explain that in my own time? I have some comments to make on that. Let me say this, that I do not happen to think that the contentions of the Defense Department have much merit, and I intend to explain that when I discuss Judge McGarraghy's opinion.

Mr. MORANO. Would you deny it would cost the Government of the United States and the taxpayers over \$100 million, as has been stated?

Mr. DINGELL. I categorically deny to the House that this will cost the Government of the United States that figure.

Mr. MORANO. Will you proceed to do that now?

Mr. DINGELL. I will promise the gentleman that I will treat that, and then I will yield to him again.

Mr. FLYNT. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Georgia.

Mr. FLYNT. I would like to ask the gentleman from Michigan: A while ago when he referred to the railroads asking for this amendment, has any railroad or the representative of any railroad asked the gentleman from Michigan to support this amendment or to introduce it?

Mr. DINGELL. The railroad brotherhoods have asked me to support this. At that time it was indicated to me that they asked, not on behalf of the brotherhoods but on behalf of the railroads.

Mr. FLYNT. Does the gentleman know, of his own knowledge, that any railroad has ever asked any member of the committee to introduce or to support the committee amendment?

Mr. DINGELL. No. I make no remark of that sort. I cast no aspersions on any member of our committee. I have a high regard for each and every member of the committee.

Mr. FLYNT. Did the gentleman a while ago mean to say that the trucking industry of this country was opposing the committee amendment?

Mr. DINGELL. According to the information which I have, I took the trouble of calling the American Trucking Association and they said they did not like this amendment. They said they opposed it.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield.

Mr. HARRIS. The gentleman has referred to his conversation with the American Trucking Association.

Mr. Jim Pinkney, general counsel of the American Truckers Association, was in my office the day before yesterday morning about this matter. We talked it over and Mr. Pinkney told me that his group was divided on it. Therefore they took no position on it. Some of the munitions carriers were opposed to it and others were for it.

Mr. DINGELL. I must confess to the gentleman I talked to the people in the Truckers Association, in the munitions industry and the oil-carrying industry, and they said they opposed this. So I think we are in agreement on that. I will concede what the gentleman says is correct, but I was informed that substantial portions of the industry were against it. I will agree there is some division in the industry. I have received a very large number of telegrams on this subject.

Mr. FLYNT. Mr. Chairman, will the gentleman yield further?

Mr. DINGELL. I yield, but I must cover the point that I promised my colleague, the gentleman from Connecticut [Mr. MORANO], I would cover.

Mr. FLYNT. The gentleman referred to a certain antitrust suit in Georgia. Would the gentleman enlighten the committee as to what that suit is?

Mr. DINGELL. Well, it is filed in Savannah, Ga. I do not have the exact citation on it. That is the precise point I want to make to the gentleman. This has come up so fast, it has just snowballed so quickly, that no one knows what the situation is. We have not had adequate hearings to explore this situation so that the gentleman and myself can know what this amendment does or what the impact will be on the industry.

Mr. FLYNT. I wanted to be sure that the gentleman was not referring to some old litigation that was disposed of about 10 years ago.

Mr. DINGELL. It is United States District Court, United States against Aero-Mayflower Transit Corporation, Southern District of Georgia, CR-14098, which I assume is the docket number.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I shall be glad to yield.

Mr. McCORMACK. I think the gentleman used the phrase "It has come up so quick and snowballed so quickly, snowballed through unintentionally."

Mr. DINGELL. I meant no aspersion on anyone.

Mr. McCORMACK. This rule has been out of the Rules Committee for well

over 10 days, and I did not program the bill for last week in order that the Members might have an opportunity to study it. So it is not being steam-rolled through the House, because it came out of the Rules Committee 10 days ago, and I did not program it for at least 10 days.

Mr. DINGELL. I did not refer to the bill. I referred to the amendment. I hope the gentleman understands that.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. HOLIFIELD. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan may proceed for an additional 5 minutes in order to answer the gentleman from Connecticut.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DINGELL. Here is the situation, this is what happened, this is how bobtailed the procedure was in the Department of Defense: We got a memorandum on this particular amendment which came up from the committee. It went to the committee. I never saw it until several days later, but it was only signed by some little captain, mind you, acting on behalf of the Department of Defense. It was not even on a Department of Defense letterhead. Since that time the Department of Defense has sent up a much more formal document on the Department of Defense letterhead. This whole document which is first referred to is just signed by some little captain down there, Captain Adams, I believe it was.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I am answering the gentleman; I want to show what happened, what came up to the committee.

Mr. MORANO. I would not agree with the gentleman that a captain is little in the Army of the United States.

Mr. DINGELL. His authority is very limited. I think the gentleman agrees with me on that.

Mr. MORANO. The gentleman referred to rank not his authority, I deplore his reference to a captain in that disparaging fashion.

Mr. DINGELL. I do not yield to the gentleman further.

The railroads and the Government both have said that this amendment must pass. It is going to cost an additional \$8 million a year, or with this amendment would cost the Government \$100 million. Now, to arrive at the figure, to establish what would be the effect of this rate increase under this particular proposal, that is if the committee amendment does not carry—they would have to increase their rates by over 1,200 percent, and I think the gentleman will agree with me that an increase of rates if this amendment does not go through of over 1,200 percent is perfectly unlikely.

Mr. MORANO. I do not agree with most everything the gentleman is saying; I cannot agree with you.

Mr. DINGELL. All right, I would not ask you to agree with me.

Mr. MORANO. The gentleman just did.

Mr. DINGELL. I only agreed to tell you what I happen to think is the case. At any rate, if the railroads increased their rates under this particular section by 1,200 percent then the figures just offered by the Defense Department are correct. In fact, in the committee report the situation is so bad that—

Mr. MORANO. Mr. Chairman, will the gentleman yield at that point?

Mr. DINGELL. No, I cannot yield at this particular point.

The situation was so bad insofar as the cost estimate of the Department of Defense was concerned—

Mr. MORANO. How much did it cost us last year?

Mr. DINGELL. We do not have any figures on that.

Mr. MORANO. I think we did have those figures stated in previous debate.

Mr. DINGELL. In fact we did not have any figures on that. The Department of Defense has offered two figures based on a survey of their records. They offer one figure on which they said they paid 13 percent more under section 22 than they were paying where they just took the general published rates and tariffs. Then they say that if they lose this section 22 it is going to cost them \$128 million a year. I refer the gentleman to the committee report, pages 5 and 6 where it flatly says that it is hard to tell which figure is right or if either figure is right.

If the gentleman will just take my figure—there are no hearings, there is no basis on which anyone in this House can form an intelligent judgment as to the impact of this amendment, as to the impact of the bill, as to anything else.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield.

Mr. MORANO. Did the gentleman hear the statement made by the distinguished chairman of the Defense Appropriations Subcommittee, Mr. MAHON?

Mr. DINGELL. I heard his statement.

Mr. MORANO. He was very emphatic about—

Mr. DINGELL. I happen to think that Mr. MAHON—

Mr. MORANO. I think his statement is a reliable statement.

Mr. DINGELL. Mr. Chairman, I decline to yield further. I do not happen to think it is reliable, I do not happen to think it is based on good information from the Department of Defense which is where the gentleman got his information.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from California.

Mr. ROOSEVELT. In the committee report, on page 2, it is stated that the Bureau of the Budget, the Comptroller General and the Department of Defense as well as the General Services Administration, all appeared before the committee in the original consideration, not of this amendment.

Mr. DINGELL. That is correct.

Mr. ROOSEVELT. I want to know, Has the Bureau of the Budget, for instance, or the Comptroller General or the GSA, given any information to the committee or to the gentleman on this amendment?

Mr. DINGELL. To the best of my knowledge, they have not.

Mr. Chairman, let us go a little bit further. What does this amendment do? It creates a twilight zone where nobody can reach the railroads. The ICC cannot reach them, the Department of Justice cannot reach them, no one can reach them in this area. All the railroads have to do is to file a copy of the agreement and right away they got a blanket exemption from the Antitrust Act. That is what this particular amendment that the committee offers does. If you want to give the railroads a blank check to destroy competition, adopt the amendment.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. DINGELL. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. DINGELL moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. DINGELL. Mr. Chairman, all that a railroad has got to do under this particular amendment, if it is agreed to, is to file a copy of its agreement. It does not have to file the rates or charges. They file a copy of its agreement with the ICC and the minute it is filed that is a blanket exemption from the impact of the antitrust laws. What does that do? It gives them the right to go out and to take and file any rate they desire, with the plain intent of destroying any small competitor like a little airline, or with the intent of driving a trucker out of business.

The McGarraghy decision and every other court decision has consistently said that the Federal Government has the right to secure reduced rates from the railroads, but what these decisions say the railroads cannot do under section 22 of the ICC Act is that they cannot use section 22 for the purpose of destroying competition, for the purpose of killing small airlines, killing truckers, and killing others in the transportation industry. That is what it says.

The distinguished gentleman from New Jersey told the House that he was here when the Reed-Bulwinkle Act was passed and it was the intent to do just what I say this amendment does. If that was the intent of the Congress it was wrong, it was bad, and we should not now act as an appellate court over a United States district court. The railroads have a good opportunity for judicial review of this particular point. It has only come so far to the point where there is a preliminary order from the Federal court. They have other opportunities for review in the district court, they have opportunity for review in the circuit court of appeals, they have opportunity for review in the Supreme Court of the United States. If this lower court is wrong the courts will hold it to be wrong. If this district judge has done all the terrible things that the distin-

guished gentleman from New Jersey says, then the courts will so say and they will take into consideration the judicial history of this particular law.

Mr. FRIEDEL. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Maryland.

Mr. FRIEDEL. The gentleman made a remark that with the mere filing of an agreement they can let the agreement go through and the railroads can do anything they want?

Mr. DINGELL. That is right, they can.

Mr. FRIEDEL. My question is this: Does it not have to be referred to the ICC before it is agreed to?

Mr. DINGELL. That is precisely what they do if they file there with the ICC.

Mr. FRIEDEL. The ICC has to approve the agreement?

Mr. DINGELL. The ICC has to approve the agreement, but the ICC is going to approve the agreement.

Mr. FRIEDEL. That is another question.

Mr. DINGELL. Under these agreements, which the ICC has been approving, they then file these variable rate agreements and they have been using the variable rate agreements to destroy competition.

Mrs. GREEN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Oregon.

Mrs. GREEN of Oregon. I would like to read from one of many telegrams which I have received and ask the gentleman to comment on it. In part this telegram reads:

This amendment represents an attempt to legalize the railroads' antitrust practices and immunizes them from liability for past violations. This is an attempt to use Congress to evade the recent court decision finding the railroads guilty of trust conspiracy and liability for \$45 million damages due the independent air carriers.

My question is this: Because there is so much controversy over the objectives of the bill and such a conflict of opinion as to exactly what this amendment does—the amendment that was offered by the gentleman from Arkansas—in your opinion would it be better for the bill to go back to the committee so that hearings could be held on the committee amendment?

Mr. DINGELL. I absolutely agree with the gentlewoman, and I would favor a motion to recommit if this committee amendment is adopted.

I just want the membership of this Committee to recall this. Here we have an extremely important amendment to the Interstate Commerce Act and to the Antitrust Act. If you believe in either and if you believe in the sanctity of the congressional committees to look into these things properly and to study them properly, then I hope you will vote first for my amendment to the committee amendment, and that then you will vote against the committee amendment whether my amendment is adopted or not, and lastly if the committee amendment is adopted, that you will vote to defeat the bill.

**MORE HUMANE METHODS OF SLAUGHTERING
LIVESTOCK**

Mrs. GREEN of Oregon. Mr. Chairman, it is my hope that H. R. 8308, relating to humane slaughter of livestock, will soon be up for consideration by the House. Ann Cottrell Free, in an article prepared for Women's News Service, has so clearly and vividly expressed the views of hundreds of thousands of people across the country that prior to the time this particular piece of legislation comes up for debate I should like to call this article to the attention of my colleagues. I ask unanimous consent to have this article inserted in the RECORD. The article follows:

**MORE HUMANE METHODS OF SLAUGHTERING
LIVESTOCK**

(By Ann Cottrell Free)

WASHINGTON.—The influence of the American woman and the 3-cent stamp may be tested soon on the floors of the House and the Senate.

American housewives, by the thousands, have written their Congressmen asking for a law that would assure livestock a more merciful ending.

They would like to outlaw most of the methods now used in slaughterhouses and substitute methods that would make the animals as insensible as possible to pain—and fear.

"I have received more letters on this one subject than even on the budget," one Congressman, typical of many, said.

Another told a congressional committee that the pleas for mercy for the animals in the abattoirs had convinced him that a wave of revulsion had swept the Nation over the disclosures of what goes on in the slaughterhouses.

This campaign—much of it from the grassroots—led to the introduction of nearly a dozen humane slaughter bills in this session of Congress. In recent days approval of the proposed legislation has been granted by the House Agriculture and powerful Rules Committees.

Now, in the closing days of this session, a showdown is in the offing. And again—as last year in the Senate—the supporters are pitted against the meatpackers and the United States Department of Agriculture. (A bill was rendered powerless by amendments in the Senate last year.)

The influence of women members of Congress will be tested, too, when the bill gets to the floor. Not one of the 14 women members—queried by this reporter—has come out against the legislation. Nor have they asked for a "study" type bill as favored by the packers and the administration. (Only two, Representative EDNA KELLY, Democrat, of New York, and Representative KATHRYN E. GRANAHAN, Democrat, of Pennsylvania, have not revealed their stand.)

Most of them feel as does Representative KATHARINE ST. GEORGE, Republican, of New York, that "it is inconceivable that anyone could be against compulsory legislation."

Two members of the feminine contingent have sponsored humane slaughter bills. The Democrats' MARTHA GRIFFITHS, of Michigan, sponsored the first bill in the House. And Senator MARGARET CHASE SMITH, Republican, of Maine, cosponsors a bill with three of her male colleagues.

"My mail has run into the thousands," Mrs. GRIFFITHS said the other day. "Today, I am urging my correspondents, many of them women, to write to Majority Leader JOHN MCCORMACK to schedule the bill for floor action as soon as possible."

The only woman member of the Agriculture Committee, Mrs. CORA KNUTSON, has worked hard to get compulsory legislation as

she has witnessed the success of humane methods in plants in her State of Minnesota.

"The Hormel Co. installed a carbon dioxide chamber for hogs a few years ago," she said, "and it has proved successful from many standpoints—more humane, more economical in the long run and is easier for the workers." (The Amalgamated Meat Cutters and Butcher Workmen of North America, CIO-AFL, support humane slaughter legislation.)

Mrs. KNUTSON asked "Why shouldn't packers, like other industries retool and modernize, especially when it would mean the end of so much fear and pain?"

Oregon's Democratic EDITH GREEN, leader in social legislation, asks "Why does this country lag behind 15 other nations that, all or in part, require humane methods?"

Many questions along this line have been asked by members of the 4½-million-member General Federation of Women's Clubs. The General Federation of Women's Clubs is on record in favor of mandatory legislation.

Further interest in a compulsory bill has been stimulated by the small group headed by Mrs. Ludwig Bemelmans and Mrs. Roger Stevens. These two women organized the Society for Animal Protective Legislation, 745 Fifth Avenue, New York, to support the legislation.

The humane societies with their large feminine membership have worked hard in favor of the legislation.

The bill that will soon appear before the House is authored by Representative W. R. POAGE, Democrat, Texas. He is chairman of an Agriculture Subcommittee that has studied the subject for 2 years.

The Poage bill requires packers who sell meat to the Federal Government to use humane methods for the slaughter of all their livestock if they wish to continue their Government business.

Packers would have until December 31, 1959, to change over to methods that will make animals insensible to pain before being shackled, hoisted, thrown, cast, and having their throats cut.

The bill says that packers may use the single blow, the gunshot, electrical, or chemical or other means that are rapid and effective. Some packers have switched to a new stunning weapon recently for beef. But the majority of pigs are being hoisted and having their throats cut alive.

The proposed law does not affect traditional methods of slaughter practiced by established religious faiths.

When the bill comes up for a vote, the following statement of General Federation of Women's Clubs president, Mrs. R. I. C. Prout, will be on trial:

"The cruelties of our slaughterhouses will end whenever we actively demand it."

(Mr. HOFFMAN asked and was given permission to revise and extend his remarks.)

Mr. HOFFMAN. Mr. Chairman, I rise in opposition to the motion.

Mr. Chairman, unless somebody on the minority side wants me to yield, I will yield back the balance of my time.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Michigan [Mr. DINGELL].

The motion was rejected.

Mr. HARRIS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I hope we will not lose sight of what the problem is here and what is involved. Now, I have no brief for any group of carriers, common carriers or otherwise, and I think we should not let the best interests of our Government get involved in how somebody might feel about one group of carriers as

against another group of carriers, because what we are interested in here is the effect of this particular situation.

Now, here is a letter from the Department of Defense that was submitted to me requesting this legislation, and if anyone doubts it, I want them to come forward and take the letter and read it, and read the statement that was enclosed with it.

Mr. MORANO. Mr. Chairman, if the gentleman will yield, I just want to know the name of the man who signed it.

Mr. HARRIS. It comes from the Assistant Secretary of Defense, Mr. Thomas D. Morris, for Mr. Perkins McGuire, Assistant Secretary of Defense for Supply and Logistics.

Now, let me make the record very clear on this particular item that we have right here.

I thought I had in my previous statement made clear the fact that the amendment that the committee offered is not retroactive legislation. It would not retroactively abolish the rights of plaintiffs in the case which I have mentioned here. And I make this statement in view of what I am preparing to do as I conclude, because I want the record clear as to what is intended by the amendment. This proposal is entirely different from the Portal-to-Portal Act by which Congress retroactively abolished the rights of employees to have certain travel time included in time worked for the purpose of computing overtime, which act was held constitutional in *Battaglia v. General Motors Corp.* (169 F. 2d, 254, 1948). The effect of this legislation would not be to resolve the pending lawsuit in favor of defendant railroads and against the plaintiff airlines.

In the first place, the bill, if amended, would not abolish the right of those plaintiffs to have the court determine whether section 5 (a) as enacted in 1948 applied to the making of section 22 rates for the United States Government. Notwithstanding the statement in this bill of what Congress intended to do in 1948, the court would not be prevented from proceeding to a determination of that question. I understand that voluminous briefs were filed and arguments submitted to the court on the very point of congressional intent in the passage of section 5 (a).

Furthermore, it is my understanding that issues raised by the airline plaintiffs and by the railroad defendants went far beyond the question of whether section 5 (a) applied to the making of section 22 rates. Since the immunity of section 5 (a) extends only to procedures covered by agreements that have been approved by the Interstate Commerce Commission, the issue of whether the agreements in question in that lawsuit provided such procedures was raised and, of course, left unanswered as a result of the court's finding with respect to section 5 (a). This question of whether the agreements, as approved, would in fact cover the making of section 22 rates would remain a vital issue in the litigation.

Beyond that, there would remain the important issue of whether the railroads

had in fact followed the procedures prescribed by the approved agreements.

In addition, the airlines allege that the railroads have committed a large number of unlawful acts, none of which have anything to do with the fixing of section 22 rates.

I think all of this is sufficient answer to any contention that the enactment of this bill would itself deprive the plaintiffs in that case of substantial rights or bring an end to the lawsuit. The answer is that such would not be the case.

In view of that, I want to say that this statement conforms to the amendment offered by the gentleman from Michigan, or his amendment conforms to this statement. I am, therefore, prepared to accept the gentleman's amendment.

Mr. SISK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I realize that this is legislation of a very technical and a very complex nature. I do not wish to get involved in that because frankly I have heard a number of statements here today that I do not quite understand.

However, I should like to ask the chairman of the committee one or two questions with reference to his most recent amendment, and by that I mean the amendment having to do with whether or not section 5 (a) is applicable. My question is whether there is any urgency in this matter. Is this of some considerable urgency?

Mr. HARRIS. Yes, it is of considerable urgency as I pointed out a moment ago. Many of these agreements were made in the past and are now in effect following the approval of the Interstate Commerce Commission. A number of tenders and offers have been made. The Department of Defense and the other agencies of the Government have programs underway in which they move freight and passengers under these procedures. As of now, if it stands, those procedures are illegal. If section 5 (a) is not applicable, those agreements are invalid. Therefore, they cannot move at all under this reduced program and will have to move into the higher and regular commercial, established rates.

Mr. SISK. So it is the gentleman's position, then, that unless his amendment is adopted it will materially increase the cost to the Government?

Mr. HARRIS. There is no question about that.

Mr. SISK. As I attempted to state earlier, the reason for these questions is that I have had a number of complaints in the form of telegrams and letters about the gentleman's amendment, based on the fact, they state, that there have been no hearings with reference to this particular amendment about which we are talking. I admit that, as the gentleman has explained, there have been many hearings over a period of many years on this section 22 and the section 5 (a) situation, the Bulwinkle amendment, and so on.

Mr. HARRIS. Yes.

Mr. SISK. I do not mean to question that, but it is my understanding that this amendment which is now under discussion is an amendment which the committee has proposed since this bill

was actually approved by the Committee on Rules for action by the House. Is that correct?

Mr. HARRIS. Yes, that is true; because the issue was not brought up before then.

Mr. SISK. That is the reason for my question as to the urgency. In view of the fact there seems to be a considerable amount of controversy on this, if there is not too much urgency I would suggest it go back to the committee and have some discussion on this specific question.

Mr. HARRIS. We have had discussion on this specific problem. The gentleman evidently does not understand about this. Many have been advised, I do not say intentionally, erroneously about this matter. But we have to stay on what it does. They are trying to protect their own viewpoint about it, and I respect their viewpoint. On page 3 of their statement as to what the issue is, and this is the same letter that was referred to a moment ago, this is what they say:

Essentially the proposed amendment would extend the provisions of section 5 (a), the Reed-Bulwinkle Act of 1948, to cover carriage for Government.

That is exactly true, and that is the point involved here that we are considering. The rest of their statement covers these other matters, which I will agree may be the fact so far as they are concerned, but it is not involved in this amendment. But they themselves admit what the issue is in their own statement here, and it is with reference to this particular point we are trying to clear up.

Mr. SISK. I appreciate very much the explanation of the distinguished chairman of the Committee on Interstate and Foreign Commerce. I have not heretofore taken a position on this legislation and I have no desire to get into an argument with reference to the merits, because I feel that the legislation must have merit or his committee would not have brought it to the floor. I have been concerned about this particular amendment due to the very manner in which it has been brought to us and because of a considerable amount of doubt, I might say, on the part of a great many people in the country as to just what it will do, why the amendment is brought here, and whether it was a deliberate attempt to overthrow the decision of the district court which, I understand, is pending before the court of appeals.

One further question: As I understand the gentleman, his amendment will not affect in any way that particular court proceeding or any other proceeding of a retroactive nature.

Mr. HARRIS. The gentleman heard my statement that I just now made emphatically to that point. In order to make it perfectly sure that I meant what I said, and what was intended, I said that I was in a position to accept the gentleman's amendment.

Mr. SISK. I thank the gentleman for his kindness in answering my questions.

(Mr. SISK asked and was given permission to revise and extend his remarks.)

Mr. HARRIS. Mr. Chairman, I ask unanimous consent that debate on the pending amendment offered by the gentleman from Michigan [Mr. DINGELL] conclude in 6 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. HESELTON].

Mr. HESELTON. Mr. Chairman, I ask unanimous consent that the amendment offered by the gentleman from Michigan [Mr. DINGELL] be reread.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk again reported the amendment offered by Mr. DINGELL.

Mr. HESELTON. Mr. Chairman, I would like to ask my chairman if, in his opinion, that would leave the litigation about which there has been so much discussion here, the co-called case of Air Transport Association et al. against the Atchison, Topeka & Santa Fe Railroad et al. exactly as it is now pending or about to go to the Circuit Court of Appeals and subject to whatever appeal might be taken to the Supreme Court of the United States.

Mr. HARRIS. It is my considered opinion, even without the amendment, it would leave the status quo, as is, and in accepting the amendment in making my statement I tried to spell out that intention.

Mr. HESELTON. In view of that statement by the chairman of our committee, I want to commend him for trying to help solve what I think is an extremely difficult problem. I want to say personally I was very much concerned as to the role the Congress was asked to take with reference to this particular litigation. I feel certain that the rest of the members of the committee can joint wholeheartedly with the chairman in agreeing to this amendment in trying as the best solution now of this unhappy situation.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. HESELTON. I yield.

Mr. JENSEN. I would like to propound a question to the chairman of the committee, the gentleman from Arkansas [Mr. HARRIS]. The gentleman from Michigan who offered the amendment to the committee amendment made the statement that if the committee amendment were made law, the railroads would use that authority to run competitors out of business or words to that effect. Now, my question is this: In view of the fact that the railroads build and maintain their own rights-of-way and all their rolling stock and facilities and pay local, State, and Federal taxes in great amounts in every county of the United States, and in view of the fact that all the railroads are struggling to stay in the black, and in fact, some of them are struggling to

stay in business, how—I ask the chairman of the committee, or the gentleman from Michigan, or any Member of the House of Representatives—could the committee amendment to the bill be used by the railroads to run other common carriers out of business? Let us not forget that the railroads receive no Federal subsidies.

Mr. HARRIS. I would say in response to the gentleman's question—the gentleman's brief question—that I cannot agree with the statement made by the gentleman from Michigan because it simply is not a fact. Section 5 (a) permits and authorizes carriers, where there is more than one carrier, to get together and agree on rate charges and so forth under procedures approved for carrying them out. Those agreements have to be filed with the Interstate Commerce Commission, and before they can be put into effect they must be approved by the Interstate Commerce Commission. Therefore, there is no such loophole as the gentleman from Michigan [Mr. DINGELL] mentioned.

Mr. JENSEN. I thank you, of course. I had hoped the gentleman from Michigan would try to answer my question.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from New York [Mr. KEATING].

Mr. KEATING. Mr. Chairman, I was pleased to hear the gentleman from Arkansas [Mr. HARRIS] say that he did not hold any particular brief for any one carrier as against another. There is apparently some conflict here between airlines, the truckers, and the railroads, but our problem is primarily to look out for the taxpayers and the people generally.

Under section 22 various carriers, railroads or otherwise, are able to make these special deals with the Government for the carriage of personnel and goods, always subject to review and approval by the Interstate Commerce Commission. This committee, in its wisdom, has decided not to repeal section 22. That is a wise decision, because if they had, the Defense Department says it would have cost \$128 million more to the Government for carriage of persons and property. Now along comes a court and virtually, as I understand it, makes virtually a dead letter out of section 22 by saying that when they enter into such an agreement for transportation at these lower rates they are violating the anti-trust law. The gentleman from Arkansas [Mr. HARRIS] now offers an amendment which reinstates the situation, at least in part, and says that section 22 shall mean what Congress originally intended. In other words, having saved \$128 million by not repealing section 22, unless we accept the amendment offered by the gentleman from Arkansas [Mr. HARRIS], we will be virtually back where we were, as far as cost to the Government is concerned, because the Defense Department has indicated that it will cost them many, many millions of dollars more unless we accept the amendment offered by the gentleman from Arkansas.

That is the reason I feel the gentleman from Arkansas [Mr. HARRIS] has per-

formed a constructive service by presenting this amendment, and it should be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. LOSER].

Mr. LOSER. Mr. Chairman, as a member of the Committee on Interstate and Foreign Commerce, and as a freshman Member, I want to take this opportunity to express to the House and to our distinguished chairman my appreciation for the magnificent manner in which he has handled this legislation. In my judgment he has made a clear, clean-cut statement of the matter, and I feel it should have great appeal to the Members of this House.

Likewise, I might take this opportunity to thank the distinguished gentleman from New York [Mr. KEATING], a member of the Judiciary Committee, for his splendid statement of what the law is, and what the effect of this legislation will be.

I just wanted to express my views along this line and say that I was greatly concerned about the committee amendment until the amendment offered by the gentleman from Michigan [Mr. DINGELL] had been accepted by our committee. With that amendment we are assured that this legislation will not in any way affect litigation now pending, or any right of action that anyone possesses at the time of the adoption of this amendment or the passage of the bill.

So I will be happy to support the committee amendment and the bill.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Michigan [Mr. DINGELL] to the amendment offered by the gentleman from Arkansas [Mr. HARRIS].

The question was taken; and the Chair being in doubt, the Committee divided and there were—ayes 113, noes 2.

So the amendment to the amendment was agreed to.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Arkansas [Mr. HARRIS].

The amendment as amended was agreed to.

The CHAIRMAN. The question recurs on the committee amendment as amended.

The committee amendment as amended was agreed to.

The CHAIRMAN. There being no further amendments, under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore having resumed the chair, Mr. NATCHER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 3233, to amend section 22 of the Interstate Commerce Act, as amended, pursuant to House Resolution 320, he reported the bill back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER pro tempore. Under the rule the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

AIRWAYS MODERNIZATION ACT OF 1957

Mr. HARRIS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 1856) to provide for the development and modernization of the national system of navigation and traffic control facilities to serve present and future needs of civil and military aviation, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, S. 1856, with Mr. MAHON in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. HARRIS. Mr. Chairman, I yield myself such time as I may use.

Mr. Chairman, the Committee on Interstate and Foreign Commerce has reported and brings to the House this bill which was passed by the other body and referred to us, the purpose of which is to create an Airway Modernization Board of three members.

The Board would be an independent agency and responsible for developing navigation and traffic control facilities needed to handle the rapidly expanding air traffic in the United States.

Such a Board, armed with statutory authority, is needed to coordinate research and development on air traffic control systems for joint civil-military use.

At present, this activity is under the direction of the Air Navigation Development Board. This Board, established by joint action of the Departments of Defense and Commerce, must make decisions by unanimous agreement, a situation which too frequently in the past has led to costly and time-consuming stalemates. The Airways Modernization Board could make decisions by a majority vote, except where a transfer of functions is involved.

This legislation grew out of a recommendation made in a report by Mr. Edward P. Curtis, special assistant to the President for aviation facilities planning. That report was transmitted to the Congress in a message from the President on April 11, 1957. A copy of the message and the Curtis recommendations are included in the committee report on this bill.

This legislation is needed both for reasons of economy and of efficiency.

In my humble judgment, it is needed for a far more important reason which I will mention a little later.

Following the rapid expansion of civil aviation after World War II, the Committee on Interstate and Foreign Com-

merce investigated the need for facilities to handle this expanding air traffic.

The committee recommended that a common system of air navigation and traffic control for joint use by civil and military aviation be developed and installed.

Following that recommendation, the Air Navigation Development Board was set up in 1948. Subsequently, installation of a common system based on the Visual Omni Range, or VOR, developed by the Civil Aeronautics Administration, proceeded rapidly under direction of the CAA. Later, distance measuring equipment, or DME, was developed and installed.

In the meantime, the Navy was developing a system to meet its own particular needs, especially for operations at sea. This became known as Tactical Air Navigation or TACAN. All of you have heard of that system as the result of the subsequent conflict which developed between TACAN and VOR-DME.

During the Korean conflict, it developed that TACAN met certain tactical requirements of the military that VOR did not meet. The military subsequently urged the adoption of TACAN as the common system for use within the United States. That called for abandoning DME, since DME and TACAN operate on the same radio frequency.

This controversy could not be resolved by the Air Navigation Development Board.

This deadlock was investigated by the Committee on Interstate and Foreign Commerce. In our report to this House, we reaffirmed our faith in the common system concept and insisted that agencies concerned coordinate their efforts to prevent overlapping and duplication.

The TACAN dispute came to an end nearly a year ago with the adoption of a combination of VOR and TACAN known as VORTAC, but we have no assurance that a similar conflict will not arise to plague us again.

It is to prevent the recurrence of similar disagreements that we need a Board that can make policy decisions by majority vote.

The proposed Airways Modernization Board would be composed of a chairman appointed by the President, the Secretary of Defense, and the Secretary of Commerce. The Chairman would be subject to Senate confirmation.

The Board would be a temporary independent agency of the executive branch of the Government. Its duties would be to develop, modify, test, and evaluate systems, procedures, facilities, and devices, as well as define the performance characteristics thereof, to meet the needs for safe and efficient navigation and traffic control of all civil and military aviation, excepting military aviation operations peculiar to air warfare.

The Board, with the exception of its powers under section 4, would make decisions by majority vote. Section 4 of the bill would empower the Board to transfer to itself any functions of the Departments of Defense or Commerce, including any officer or organizational entity thereof, which relate primarily to selecting, developing, testing, or evaluating systems, procedures, facilities, or

devices for safe and efficient air navigation and air traffic control. Decisions under this section must be unanimous and, in addition, have the approval of the President.

In addition to his interim report recommending creation of the Airways Modernization Board, Mr. Curtis in his final report entitled "Aviation Facilities Planning," recommended a basic reorganization of the Civil Aeronautics Administration as an independent agency.

In that report, he said:

An independent Federal aviation agency should be established into which are consolidated all the essential management functions necessary to support the common needs of the military and civil aviation of the United States.

That recommendation is separate and distinct from the recommendation of the creation of the Airways Modernization Board.

The second recommendation proposes, however, that when established, the proposed new Federal Aviation Agency take over the functions of the Airways Modernization Board.

The objection most frequently raised against the pending legislation is that this is only a makeshift solution to the problem. It has been suggested that instead of creating this temporary board, we go ahead immediately with legislation to establish the Civil Aeronautics Administration as an independent agency, equipped to carry out the functions of the Air Modernization Board.

The answer to this is that reorganization of Federal civil aviation agencies along the lines suggested will require careful consideration both in the executive branch and by the Congress.

The committee recommends favorable action on the pending bill to save valuable time. There is a big job to be done in preparing for civil jet transports. We should get on with that job at once.

Since World War II we have witnessed a technological revolution in aircraft and their performance. We have been partners in the tremendous growth of military and civil aviation. The Congress of the United States has, and will continue to play an important role in the full and logical exploitation of American air commerce and air power. Each is interwoven with the other and to a degree seldom completely understood.

Air Force aircraft have flown around the world nonstop in a little over 45 hours. Naval aircraft fly from a carrier on the Pacific Ocean and land on another carrier on the Atlantic Ocean between breakfast and lunch. In the furtherance of our air commerce, the airlines of the United States are preparing to invest over a billion dollars in new jet equipment to assure the country of an air transport service second to none in the world. Business and private flying is mushrooming. General aviation aircraft now number 60,000—and will reach over 100,000 in the next two decades.

The present system of air traffic control to help guide and control these thousands of aircraft from point to point through our airspace in good weather and bad is now safe but is woefully overloaded. As new civil and military jets are introduced and the volume of gen-

eral flying increases, this added burden on our air traffic control system will become even more intolerable.

Since World War II, and while the technological revolution in aircraft proceeded at a phenomenal rate, the system for controlling these aircraft in our airspace has lagged behind. This lag is caused largely by honest differences of opinion as to what devices and techniques should be used in the navigation and control of aircraft. These differences sprung up between the military and civil agencies having responsibilities for operating large aviation programs—and between various elements of the civilian operators. These controversies have been highlighted by the dispute over the use of V. O. R. or TACAN as a short-range navigational aid. Before that controversy was settled, the cost to the country reached several hundred million dollars, much of it is duplication and hence wasteful.

There is one basic cause for this lack of progress in our national system of aviation facilities: The governmental organization consisting of over 75 committees and subcommittees is a labyrinth of inaction—where technical progress often depends upon the most powerful persuaders and not on scientific facts.

Try as we might, the Congress has not been successful in its efforts to follow the maze of intercommittee activity or locating conclusively the groups responsible to Congress for the facilities needed by civil and military aircraft, all of which share the same airspace.

H. R. 6872—and identical bills—is a positive step toward cutting through the committee maze and establishing an Airways Modernization Board authorized and established by Congress. It establishes for the first time a focal point for the Congress in this highly complex and technical area of aviation facilities. Heretofore, the myriad committees in the executive branch have not been able to produce the progress in air facilities we in the Congress expect—when we consider the millions we made available for that progress.

The Air Navigation Development Board; for example, is a creature of the Department of Defense and the Department of Commerce. It has been admittedly inadequate for the job. It is a two-man Board—requiring unanimity for action. Congress appropriates funds only indirectly to the Air Navigation Development Board and can make the intent of the Congress known only indirectly.

The Airways Modernization Board will have a Chairman appointed by the President with the advice and consent of the Senate. Effective decisions could then be made on a majority vote of the Board. The Airways Modernization Board has the power to decide what devices or equipment will be used for safe and efficient navigation and traffic control of all civil and military aviation except for those unique needs of the military which are peculiar to air warfare.

The Departments of Defense and Commerce endorsed and supported this legislation in hearings before your Interstate and Foreign Commerce Commit-

television is good, then the people will demand it; if it is bad, nobody could give it to them. It is just that simple. However, before the people may be privileged to arrive at a verdict, your Commission must authorize the necessary tests. My chairman of my committee is not only my dear friend but an astute and an excellent lawyer. Therefore, he knows that existing law gives your Commission the proper authority to permit these subscription television trials. It appears to me that my chairman might be disturbed, as I am sure is his New York friend, General Sarnoff (and other leaders of the radio and television industry), who has fought it so long before the Commission, that if a fair trial run is authorized for pay-as-you-see television, the people might just demand this particular service.

In my study of this problem it has come to my attention that the great RCA of General Sarnoff (which incidentally is the granddaddy of all radio and television and who controls or owns the vast majority of all the patents within the industry, and as a result thereof is in the enviable business position of "cleaning up" on them) tried to buy the patents of pay-as-you-see television from its inventors when it was first developed.

If pay TV wasn't extraordinarily good—if it did not have a terrific potential—if the good general could not see its great possibilities, I feel reasonably sure he would not have wanted to waste his or his company's money for its purchase. Could it be that the good general only became soured on pay TV when he found he could not buy or otherwise control it? Maybe it is only a coincidence but he and his company have led the fight against pay-as-you-see television being given a chance to demonstrate its wares ever since. If General Sarnoff cannot buy, lease, borrow or otherwise acquire a patent or a commodity, I would suggest that he do as we Kentucky boys in politics do—"if you can't whip 'em—join 'em."

My friend, Mr. CELLER, is quoted in this morning's Washington Post as saying that your Commission's decision to allow the people to decide this issue would constitute "waste and delay." He intimates that there will be "costly time-consuming litigation." If this petition of subscription television, which has long been pending before your Commission hasn't been "time consuming" and "costly." I do not know the definition of these words. More delay by your Commission in rendering the decision would be about as useful as the *Queen Mary* docked at the corner of 12th and Pennsylvania Avenue at high noon.

Over the past several years I have made a study of the matter of pay-as-you-see television, and I have come to the conclusion that (a) your Commission has the full, complete and final authority to permit these very necessary trials before the public, and (b) that the people of the country ought to be given an early opportunity to decide if they want any part of subscription television. I reiterate if the people like pay-as-you-see television they will demand it. On the other hand, if they do not want it, you could not "law it on them."

I agree with the words of the Christian Science Monitor editorial dated August 22, 1955, wherein it said: "Progress would not have been served by suppressing radio to save the newspapers. Free enterprise demands that every invention shall have opportunity to show its worth."

Mr. Chairman, in my opinion, your Commission has been fair throughout these long, involved, tedious and exhaustive hearings with respect to this problem. At this late hour, do not allow anybody, no matter what position he may hold in or out of govern-

ment, to attempt to either pressure or intimidate any of you.

With best wishes, I am,

Sincerely yours,

FRANK CHELF,
Member of Congress.

AMENDING THE INTERSTATE COMMERCE ACT

Mr. FLYNT. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 939) to amend section 22 of the Interstate Commerce Act, as amended.

The Clerk read the title of the bill. The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. FLYNT. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FLYNT: Strike out all after the enacting clause and insert in lieu thereof the text of H. R. 3233 as passed by the House.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The proceedings whereby the bill H. R. 3233 was passed were vacated, and that bill laid on the table.

THE WAVES 15TH ANNIVERSARY NATIONAL REUNION

(Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 1 minutes and to include a speech delivered by the Honorable Thomas S. Gates, Jr., Secretary of the Navy.)

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am including as a part of my remarks a speech I heard by the able Secretary of the Navy, Mr. Gates, at the 15th anniversary national reunion of the WAVES at Boston. Secretary Gates spoke in the highest praise of the WAVES and proceeded to give a description of their strength and their importance to our Navy. I enjoyed the speech greatly and was most interested in his description of the strength of the Navy today and its part in our national defense. We are very lucky to have Mr. Gates as our Secretary of the Navy.

(The matter referred to is as follows:)

To begin with, the WAVES are wonderful.

The Navy knows what they have done, what their place is in this new age and this modern Navy, and what they can and will do if they must, in the event the available strength of the Nation must be used to keep or restore the peace.

Those of us who are now old enough to have been in on the start of World War II were also in on the beginning of the WAVES, 15 years ago. World War II blew in and across our lives. It changed everything on earth and every person who was in it. Many never came back, they stayed in far-flung places, in the blue water of many seas. Americans went to strange islands, to places with names never before learned in the geography classes, to jungle and heat, to zero

cold. The WAVES stayed at home so the men could go, so the job could be done. They replaced 86,000 men of the Navy.

But this is ahead of the story—ahead of the beginning. To find this, one must go back, not 15 years, but many more—back deep into the few exceptional women in history, all ahead of their time. Then on into this century. Who ever heard of girls in uniform? Yes, there were a few. Some even got into World War I as yeomanettes, and in the Red Cross, or as nurses. These few pioneered and showed the way. They kept the personal satisfaction that comes only with service, but they were too early in the scheme of things, although they were right. It was the men who misjudged the period. The roaring twenties were over. Women earned their place in science, in business, and on the playing fields. Prohibition was over. Women could and did go the new hotel cocktail rooms. It was fashionable to be seen and women were part of it. The depression was over. Women had worked hard side by side with men in factories or farms so the families could eat. They had come a long way even if it was not fully recognized.

Then one day, in 1942, the WAVES came by, the best looking girls, the best looking uniforms—white hats and blue. The best in any service. The cream of the crop. Trim, pretty, keen, and deadly serious. The girls were equal now. They knew it. The men knew it. World War II said, "Now, we are comrades in arms."

It took a lot of doing—a lot of organization. It wasn't easy or very quick, but it happened. A product of the times, perhaps, but it never changed afterward, and the world became a better place because of it.

You must remember how the chief petty officers, always the backbone of the Navy, never really admitted the WAVES existed. What do you talk to a girl about? You can flirt with her. You can make love. But serious talk is for men. When she gets serious, you say, isn't she sweet, and move on. Business is for men. How can you talk to a girl about business—or war?

How very great the change was and how complete. Today women in the services play a recognized part in the greatest forces we have ever maintained in peacetime. Those of us who believe in strength to preserve the peace and to hold together the collective security of the free world, know the part that women play in our ability to administer, preserve, and maintain such forces. This goes for the girls in and out of uniform. It goes for our 5,700 plus WAVES—a nucleus on which to build quickly. Sometimes I know they feel neglected or wonder where they are headed, but there should be no such feeling. The WAVES' record has been made and is something to be proud of. Wherever you are—in or out of the Navy—you are one with us.

When the WAVES came into being 15 years ago, the Navy took on a "new look." Today, with the advent of atomic and nuclear power, the Navy has even a newer "new look." There are vast and new requirements, for this nuclear-missile age Navy.

The Communists still follow the creed of their founder that dictatorship can only be established by revolution; thus by physical force and violence. This they will resort to if other means fail.

Therefore, we must maintain strong armed services and as things change, we must have new dimensions of military power. Naval forces have these new dimensions.

The first is selectivity of action. The enemy's objectives may be limited or unlimited. His actions may be overt or subvert. Whatever they may be, however, they can be countered, and usually countered first, by naval force.

It may be a show of force as in the Jordan crisis. It may be war of limited objectives as in Korea where nearly one-third of all the United States air missions flown were flown by naval aviation, and where the First Marine Division was employed. In unlimited war on the other hand, our air/sea power will be an important nuclear capability remaining to the United States after the so-called initial "nuclear exchange." Wars are won by remnants of armies, navies, and air forces. The Navy could well be the balance of power, the decisive remnant of our military force.

Naval power gives us the power of choice. Our Government needs a choice of action when confronted with a dangerous international situation. Military forces with many capabilities are an absolutely vital tool to provide needed alternative methods to project United States power overseas.

The next dimension is the capacity of the sea for containment of fallout and radio activity. Our 48 States occupy some 3 million square miles of land area. One hundred and seventy-one million Americans live on this surface. The 7 seas occupy 140 million square miles of ocean area. Its surface is inhabited only by ships. If men must be so foolish as to fight, what better battleground in this nuclear age. What better dispersal area against the possibility of surprise attack. Naval forces insure that we have the capability of fighting from an area other than our own home ground or that of one of our allies.

Next is the element of economy. Carriers whose aircraft fought over Korea were deployed later on off Formosa, Quemoy, and Matsu—later these carriers with their planes were in the Mediterranean off Suez and Jordan. Because of their global mobility, the same bases, the same ships, the same weapon systems are employable in any one of the seven seas.

It is true that carrier task force costs are great. The cost to afford comparable coverage by other means is far greater. Thus, we complement our fixed base system with sea bases. The fact that water covers nearly three-quarters of the earth's surface gives out sea power almost unlimited mobility.

Ships may come and go on the international waters of the world without treaty or passport; without question of sovereignty or jurisdiction. Our Navy and its ships are among our finest ambassadors today as well as the moving United States bases of war.

One of the most obvious features of our national policy today is our emphasis on collective security. The basic strategy of the Communists is to divide and conquer, to isolate North America and the United States. The mainstay of our collective security system is our mutual love of freedom and our respect for the dignity of man. Its cement is sea power.

These, then, are the salient features of our new Navy.

Present Navy programs generate more than a \$10 billion expenditure annually out of a national military budget of some \$36 billion. The new weapons are fantastically expensive. If present programs were projected and obligated they could cost 2 to 3 times more. On one hand, there is a military problem and a requirement to insure forces essential to our mission. On the other hand, is the need for decisions within the Defense Establishment and the Navy itself as to which programs to pursue. We live with these problems and will do so over and over again in the days ahead. It becomes more difficult with a reduced defense budget to cut back our programs due to the great cost increases we are experiencing. One must remember the threat exists, and that costly as these programs may be in terms of money, the return is a measure of the most precious thing which any of us can own—security for America.

Today, our fleets stand alert and ready off Formosa, off Iceland, off Suez, off the far-flung places where trouble can start and where they probably will be called on first. The United States needs sufficient nuclear striking power—well dispersed and well diversified—but we need a clear-headed rational appraisal of how much nuclear striking power.

It is universally recognized that the employment of weapons of mass destruction has more than military implications. There is, therefore, need for exercise of the broadest judgment and discrimination in the selection of appropriate targets for these massive weapons. The proper application of weapons of mass destruction is a problem which demands application of the responsible civilian as well as the responsible service mind. The United States needs to maintain the best warning against attack—but not so much defense that we will pass the point of diminishing returns. Versatile forces that contribute to both our offensive and defensive requirements give us significant gains in economy and efficiency.

The need for maintaining such a proper balance between offensive and defensive requirements has never been greater. Dollar and personnel needs, alike, increase the demands that expenditures—particularly the big money projects and big money systems—be brought continually under closest scrutiny.

For the Navy, this is a transition period. Rapid, however, as it may be, we cannot go all-out and spend billions of dollars. It would have been easy to do. We could justify greater costs on the basis that this is new, this is wonderful, and we need it now. Such action would not be sound because we must not break our Government.

We have an adequate, strong defense. The well-organized hue and cry of some claiming we never de-emphasize or scrap our less vital programs is to be expected. We may make mistakes. There are always horror cases to be found in so huge an organization—but we work at this hard and all of the time. Let the critics prove their case, or perhaps let them come to Washington and have a try at doing these complicated things better.

The Navy, our fleets, and our naval task forces are tailored and are uniquely adapted to capitalize on those classic military principles of mobility, concentration of power, and economy of force. It is because of this adaptability that the Navy is a force of economy.

Fairminded and foresighted men, in and out of uniform, now recognize that the Navy is indeed the service of the future—the service with a future.

This brings up the question of better organization and/or more unification. There will always be changes in organization, but there are certain fundamentals and principles to remember when changes occur. No 2 persons, much less no 2 services, believe that we have the same defense needs. There must be honest differences of opinion and free expression. To submerge these differences of opinion in any monolithic system would be a fatal mistake. It is as vital to have different services in our Department of Defense as it is vital to have an executive, a legislative, and a judicial branch in our Federal Government.

The Defense Establishment has been reorganized 3 times within the past 10 years. The stated purpose of each of these three reorganizations was to achieve: (1) Better unification, (2) more economy and efficiency, and (3) elimination of waste and duplication.

Now, again, some people, wholly uninformed and looking for easy answers to gigantic problems, are talking the same way. I would ask these persons or organizations to remember the purpose of the military service. The services exist to preserve the

peace through a policy of strength, to fight if they must, and then to win. Everything they do is, in a sense, wasted. At least we hope it is, because we hope never to put the military machine to work at war. All-out general war today could mean the end of our civilization.

If you will remember the reason for the existence of our Military Establishment, and put it in context, then you can insist within this framework that it be as efficient and well run as possible.

There is nothing wrong with the organization. Any organization can be improved. However, no cure-all like a single service or great power to a single Chairman of the Joint Chiefs of Staff or a fourth service of supply will do anything more than bring the problems under layers of paper. They will not go away. We will eliminate some useful competition and the decentralization vital to any big organization and some democratic ideals of government if we believe such nonsense.

Duplication must not be confused with the many ways needed to project United States power from land, sea, and air. Under many different conditions, these choices must be always available to our country.

It is easy to fall into the habit of blaming the organization. Even the best organization in the world will not work well unless it is composed of good people and there is loyalty and willingness to make it work.

Our present organization is continually effecting better joint use of facilities and better use of common services. Progress has been made in coordinated purchasing, cross servicing, and improving the financial tools of management. An example is the single manager plan, as applied to a commodity area such as subsistence, in which the Secretary of a particular military department is designated to perform all supply management functions for the supply of that commodity to all military services.

What we need is better understanding. Most of you know the Navy, what the Navy is, and what the Navy does. This is very helpful. Because of this understanding, you support our programs. We must, however, go further. Through you and others like you, we must bring into being a clear understanding of our needs, methods, and purposes to all the people who vote, who pay taxes, and who are entitled to know fully what is happening to their money, why it is necessary to spend it, and are convinced that it is being well spent.

Just as our naval supremacy is vital to our national security, so also is there a national need for a deep and abiding appreciation of the Navy's aims, its needs, its organization, and above all, its great capacity to preserve a peaceful world.

As one who is a firm believer in the adage "Never underestimate the power of a woman," I have the utmost confidence that the WAVES will spread this understanding.

GENERAL LEAVE TO EXTEND

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that all Members have permission to revise and extend their remarks on the bills H. R. 3233 and S. 1856, which were debated today.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

THE SCHOOL BILL

(Mr. ROOSEVELT asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include an article.)

Mr. ROOSEVELT. Mr. Speaker, the action of the House last Thursday in

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued August 8, 1957
For actions of August 7, 1957
85th-1st, No. 141

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HIGHLIGHTS: Senate committee reported nomination of Don Paarlberg to be Asst. Secretary and CCC Board member. Sen. Carlson urged greater understanding for farm income problems. House rejected resolution to consider self-help meat promotion bill. House Rules Committee cleared classified employee pay raise bill. Sen. Humphrey introduced and discussed bill to establish sanitation standards for fluid milk in interstate commerce. Rep. Cooley proposed and discussed measure urging Secretary to lift restraints on barter transactions.

HOUSE

MEAT PROMOTION. Rejected, 175 to 216, a resolution to provide for consideration of H.R. 7244, to amend the Packers and Stockyards Act so as to permit deductions for a self-help meat promotion program. pp. 12676-86

2. APPROPRIATIONS. Passed, 330 to 75, H.R. 9131, making supplemental appropriations for 1958 to various agencies, including the Departments of Defense, Commerce, and State, and the TVA. pp. 12655-75

Rep. Cannon made the following statement as to the intent of the Appropriations Committee in regard to Sec. 1201 of the bill, which revises Sec. 3679 of the Revised Statutes relating to making apportionments of appropriations:

"The substance of the proposed revision is to make applicable to the head of the agency requesting or recommending an apportionment those provisions of the law precluding apportionment or reapportionment on a basis indicating necessity for a deficiency or supplemental appropriation unless within exceptions expressly set out in the law. Presently, only the officer approving the apportionment--the Director of the Budget--is subject to such prohibition. But he is not directly in charge of administration of the funds; he does not personally justify the budget program before the committees; he is not directly accountable to the committees for stewardship of funds allocated to his administration. These responsibilities devolve upon the agency head.

"Experience indicates need for this amendment so as to place directly on the agency administering the funds the force of the prohibition against operating on a deficiency apportionment basis, in addition to having responsibility on the Director of the Budget. We feel that responsibility should lie on both heads." pp. 12674-75

3. POULTRY. Conferees were appointed on S. 1747, to provide for the compulsory inspection by this Department of poultry and poultry products. (p. 12687) Senate conferees were appointed Aug. 2.

4. TRANSPORTATION. House and Senate conferees were appointed on S. 939, to amend the Interstate Commerce Act to provide that reduced rate agreements for the movement of government freight or passengers shall apply only in time of war or national emergency, and to finalize contracts made between the government and common carriers. pp. 12687, 12590-91

The Rules Committee reported a resolution for consideration of S. 1383, to amend the Interstate Commerce Act so as to require freight forwarders to obtain certificates of public convenience and necessity. p. 12695

5. PERSONNEL; FIBERS. The Rules Committee reported resolutions for consideration of H.R. 2462, to increase the basic rates of compensation for Federal classified employees, and H.R. 469, to protect producers and consumers against misbranding and false advertising of the fiber content of textile fiber products. p. 12695

6. HOUSING. The Ways and Means Committee ordered reported H.R. 9057, to amend the Internal Revenue Code of 1954 to provide for amortization deductions with respect to housing facilities for farm workers. p. D749

7. BUDGETING. Rep. Laird inserted testimony and a letter by Budget Bureau Director Brundage directing Federal agencies to keep the rates of commitments, obligations, and expenditures for fiscal year 1958 at or below the level for the fiscal year 1957, to the extent feasible. p. 12689

8. WEATHER. Both Houses received from Commerce the interim report on the causes and characteristics of thunderstorms and other atmospheric disturbances. pp. 12560, 12695

9. LEGISLATIVE PROGRAM. Rep. McCormack announced that the classified employee pay bill will probably be taken up on Fri., Aug. 9. p. 12676

SENATE

10. NOMINATIONS. The Agriculture and Forestry Committee reported the nomination of Don Paarlberg to be an Assistant Secretary of Agriculture and a member of the CCC Board. p. 12561

11. RECLAMATION. The Interior and Insular Affairs Committee reported with amendments S. 1031, to authorize construction of certain units of the Greater Wenatchee division, Chief Joseph project, Wash. (S. Rept. 835). p. 12561

12. WATER RESOURCES. The Interior and Insular Affairs Committee reported without amendment S. 2431, granting Congressional consent to the Oregon-California compact on the Klamath River Basin (S. Rept. 834). p. 12561

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Army is authorized to convey to the port of Walla Walla, Wash., subject to the provisions in section 2 of this act, all of the right, title, and interest of the United States in and to three parcels of real property comprising a part of the McNary lock and dam project on the Columbia River, Oreg. and Wash., containing in the aggregate approximately 441.62 acres of land which is currently being utilized by the port of Walla Walla, Wash., under lease from the Secretary of the Army.

SEC. 2. The conveyance herein authorized shall be made at the fair market value of the property as determined by the Secretary of the Army, and upon such terms, conditions, reservations, and restrictions as he shall deem necessary in the public interest and to assure that the use of the land will not interfere with the operation of the McNary lock and dam project.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 8171) was laid on the table.

AMENDING ACT OF JUNE 20, 1910

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 8079) to amend the act of June 20, 1910, to give the State of New Mexico greater flexibility in the investment of moneys derived from lands held in trust by virtue of such act.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Colorado.

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the third sentence in the seventh paragraph of section 10 of the act entitled "An act to enable the people of New Mexico to form a constitution and State government and be admitted into the Union on an equal footing with the original States; and to enable the people of Arizona to form a constitution and State government and be admitted into the Union on an equal footing with the original States", approved June 20, 1910 (36 Stat. 557), as amended, is amended to read as follows: "All such moneys shall be invested by the State in interest-bearing or other securities including common stocks, preferred stocks, and bonds of businesses incorporated within the United States, under the supervision of the Governor, and such other persons as the State legislature may provide. All persons investing such moneys shall at all times be under a good and sufficient bond or bonds conditioned for the faithful performance of their duties."

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following language:

That section 10 of the act of June 20, 1910 (36 Stat. 557, 563-564), relating to the establishment, deposit, and investment of funds derived from land grants to the State of New Mexico, is amended by deleting therefrom the seventh paragraph.

"SEC. 2. Section 28 of the act of June 20, 1910 (36 Stat. 557, 574-575), relating to the establishment, deposit, and investment of funds derived from land grants to the State of Arizona, is amended by deleting therefrom the seventh paragraph."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to amend the act of June 20, 1910, by deleting therefrom certain provisions relating to the establishment, deposit, and investment of funds derived from land grants to the States of New Mexico and Arizona."

A motion to reconsider was laid on the table.

AMENDING SECTION 22, INTER-STATE COMMERCE ACT

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 939) to amend section 22 of the Interstate Commerce Act, as amended, with an amendment of the House thereto, insist on the amendment of the House and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. HARRIS, ROBERTS of Texas, FRIEDEL, WOLVERTON, O'HARA of Minnesota, and HALE.

INSPECTION OF POULTRY AND POULTRY PRODUCTS

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 1747) to provide for the compulsory inspection by the United States Department of Agriculture of poultry and poultry products, with an amendment of the House thereto, insist on the amendment of the House, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. COOLEY, GRANT, WATTS, THOMPSON of Texas, AUGUST H. ANDRESEN, HILL, and MCINTIRE.

PERSONAL ANNOUNCEMENT

Mr. NEAL. Mr. Speaker, I was detained off the floor during the vote on the bill, H. R. 9131, the appropriation bill. Had I been present, I would have voted "yes." Mr. Speaker, I make this announcement so the Record may show at this point how I would have voted on the appropriation bill.

DISCRIMINATORY EMPLOYMENT PRACTICES

(Mr. ROOSEVELT asked and was given permission to extend his remarks at this point and to include two reports.)

Mr. ROOSEVELT. Mr. Speaker, a recent report of the Antidefamation League of B'nai B'rith has brought to light a shocking chronicle of discriminatory employment practices in the city of Los Angeles. I believe that it is of the utmost importance that my colleagues

be aware of the collusive, hidden manner in which groups of people can be barred from jobs because of their race or religion. To that end I call the attention of each Member to the transcript of a television newscast by Mr. Bill Stout, of Los Angeles, which presents a concise statement on the findings of the Anti-defamation League, and to the full report which follows.

The report is presented in the form of a letter to Dr. Jacob Seidenberg, executive director of the President's Committee on Government Contracts, to whom it was originally directed. The President's Committee will establish jurisdiction of agencies that have awarded Government contracts to some of the firms cited, the proper agency then taking action. Many, however, are purely private concerns. In those cases the only protection that is available to the job seeker is the vigilance of the public and of organizations like the Antidefamation League, and the concern of Congress for the rights of every American.

As noted in the report, a number of the firms are large national corporations. It is only fair to point out that the discriminatory practices used by these firms do not necessarily reflect the policy of the national organization, but in many cases originate with a local manager or minor official.

A list of the cited firms is available in my office, and interested Members are welcome to look at it at their convenience.

TRANSCRIPT OF TV NEWS BROADCAST, BILL STOUT, KNXT, LOS ANGELES (CBS)

One of the organizations active in the fight against prejudice charged today that there still is widespread job discrimination in the Los Angeles area.

The Anti-Defamation League of B'nai B'rith filed a formal complaint in Washington with the President's Committee on Government Contracts. The complaint lists more than 200 Los Angeles business firms. Twenty-one of them are known to hold Federal contracts, many others are believed to be doing Government business. (All such contracts say no discrimination.)

The ADL charges that each of those 200 firms placed discriminatory job orders with private employment agencies. Job orders specifying that Negroes, Jews, Orientals, Mexicans, or Catholics were not to be considered by the agency.

I cannot give you the names of the companies cited in the complaint sent to Washington. But I can tell you what areas of business they cover and how the employment agencies go about practicing discrimination in secret.

Those listed in the complaint include 40 manufacturing firms, 32 insurance companies and agencies, 10 food processors, and others in banking, finance, research, oil, transportation, and miscellaneous fields. Each of the firms placed with an employment agency a job order ruling out a certain group of Americans.

According to the complaint, the agencies followed through by using coding systems. A certain number would refer to Jews—none were to be considered—another number meant Mexicans, others stood for Orientals, Negroes, or Catholics. But not all agencies used numbers in their coding systems. Some used letters. Letters which, when attached to job orders, meant that no persons of this or that group were to be considered.

All these orders applied to clerical workers, office personnel. And in sending its

complaint to Washington, the Anti-Defamation League, through its executive committee chairman, Jack Berman, expressed shock that in the present day job market there could be such widespread discrimination.

Especially, said Berman, at a time when the help-wanted ads indicate a shortage of skilled personnel for office work. Berman added that the ADL is disturbed by the role of the private employment agencies. He referred to what he called their nefarious coding system, which reduces people to numbers and letters.

Berman touched on the national situation when he noted that 27 of the firms cited in the Los Angeles complaint are major national corporations. Many of those, he said, were found in a recent Chicago survey to have placed job orders in that city which carried similar clauses of discrimination.

Last year the county board of supervisors considered a proposed ordinance to outlaw job discrimination, a fair-employment practices law. And just this spring a similar bill was considered by the State legislature. Various spokesmen for local business groups opposed both measures. They argued that coercion will not help end discrimination, and they argued also that the record of southern California business, without such a fair-employment law, is far better than that of many areas where such laws are in effect.

Randolph Van Nostrand, public relations man for the Merchants and Manufacturers Association, told the supervisors last year that his group strongly advocates merit employment—no consideration of race, religion, or origin, employment based solely on merit and ability. Such a policy, said Van Nostrand, is an individual matter, each case to be judged on its own. But he said it is also a voluntary action and a matter of principle. For that reason, his group opposed the fair employment law later rejected by the county.

Van Nostrand went on to claim that in the past 15 years Los Angeles has absorbed the greatest migration in history without disturbance, commotion, or incident. In those 15 years, he said, the Negro population has increased more than 300 percent. From 75,000 in 1940 to 325,000 in 1955. It is, he said, and he voiced the feelings of many businessmen, it is to the credit of Los Angeles and its people that this has been accomplished.

Van Nostrand said also that Chicago, which has a fair-employment law, had had less success in integrating its newcomers, and a high rate of race conflict and violence. The latest white-Negro battle broke out just yesterday on Chicago's South Side.

So the business groups claim a record of success. And the Antidefamation League in its complaint filed today in Washington, says in effect that there still is much work to be done.

One business group, in arguing against a fair employment law, quoted the Reverend Edward Keller of the University of Notre Dame. He said "It ill befits the United States, as the one place in the world where the personal worth, dignity, and liberty of the individual is a cherished tradition, to set the example of compulsion where voluntary action is not merely possible but practical and effective." The Antidefamation League, in filing this new complaint, quoted President Eisenhower who said "this problem (equality of employment) and its solution are the job of all of us. Government can and must help," said the President. "But, the final answer is up to you and me and the communities in which we live."

JULY 26, 1957.

Dr. JACOB SEIDENBERG,
*Executive Director, The President's
Committee on Government Con-
tracts, Washington, D. C.*

DEAR DR. SEIDENBERG: During the past 17 months, the Pacific Southwest regional office of the Antidefamation League of B'nai B'rith received information from three independent sources which reveals widespread discrimination in employment in southern California. The information, which was supplied to our organization by employees of private employment agencies, concerned 202 firms which placed discriminatory job orders with their agencies during that period. Of this number, 21 are definitely known to be Government contractors. In many instances, firms placed discriminatory job orders with two or more of the employment agencies from which the information was received. In addition, many of the firms which placed such job orders had previously been cited by the Chicago Bureau of Jewish Employment when that agency filed a formal complaint with your committee some time ago. The employment agencies from which this information was obtained concentrate almost exclusively on supplying industry with clerical help, and the fact of discrimination on this level is shocking when one considers the general scarcity of efficient and competent employees. Furthermore, we were appalled at the large number of major national corporations which had placed discriminatory job orders, some of which are among the leading firms in American industry.

Each of the three employment agencies used a code system in which certain symbols or numbers designated a particular religious or racial minority. Thus, the number "53" was used to identify Jews, and the number "99" was the code for Negroes. The letter "C" was used to identify a Caucasian, and "G" was used instead of the word, "gentile." Interestingly, 2 of the 3 agencies used almost identical code systems.

Our staff checked the name of each firm reported on with the Jewish Employment and Counseling Service, a nonsectarian, nonfee agency of the Los Angeles Federation of Jewish Welfare Organizations, to determine if it had a referral relationship with these firms or if it had any record of placing persons with any of them. A small number of the firms reported on, and which were restricted to caucasians only, had job order relationships with the JECS. The remainder of these firms had no such relationship whatsoever with this agency.

We have divided the list of 202 firms into 2 categories. The first contains the names of 21 firms, all of which are definitely known Government contractors. The second category contains the names of 181 firms which may have Government contracts.

We realize that the purview of the President's Committee on Government Contracts is limited only to those firms which have contracts with the Federal Government and its contracting agencies. Nevertheless, we wanted to submit to your committee all of the information on employment discrimination which was brought to our attention because some of the firms in the second category may very well have Government contracts. In addition, we wanted to present to your committee some overall indication of the extent of employment discrimination in the Metropolitan Los Angeles area.

It is important to keep in mind that this information is not intended to give a complete and total picture of employment discrimination in this area, because our information was obtained from each agency

during relatively short periods of time; we are confident that our findings are only a conservative indication of the total problem.

Finally, it is important to note that our first two informants from employment agencies "A" and "B" were under the impression that our agency was only interested in discrimination against Jews and they reported to us about such firms. Further conversation with these people indicated that every firm which specified "no Jews" also specified no Negroes, no Mexicans, and many of them specified no orientals. In addition, there were many firms which were not reported to us which had no restrictions against Jews but which instructed the employment agencies not to refer Negroes, Mexicans, and orientals.

In view of the above, the Pacific Southwest regional office of the Anti-Defamation League of B'nai B'rith hereby files the following data with the President's Committee on Government Contracts and requests that the Committee institute its own investigation of those firms on the attached list which have Government contracts and take whatever action is necessary to abolish racial and religious discrimination by such firms.

Respectfully submitted,

JACK Y. BERMAN,
Chairman, Executive Committee.

ANALYSIS MADE BY CONGRESSIONAL QUARTERLY ON ROLL-CALL VOTES

(Mr. LAIRD (at the request of Mr. WEAVER) was given permission to extend his remarks at this point.)

Mr. LAIRD. Mr. Speaker, there has been considerable controversy regarding the analysis made by the Congressional Quarterly of rollcall votes in this first session of the 85th Congress, as they applied to support or opposition of the administration. Fourteen economy rollcalls were used by the Congressional Quarterly in an attempt to show a real division in the Republican Party between the White House and the Republican leadership here in the House of Representatives. I include in the RECORD at this point a copy of a letter which I have this date forwarded to Mr. Thomas N. Schroth, executive editor of the Congressional Quarterly:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., August 7, 1957.
Mr. THOMAS N. SCHROTH,
*Executive Editor,
Congressional Quarterly,
Washington, D. C.*

DEAR Mr. SCHROTH: This is in further reference to your letter of May 29, 1957, regarding the rollcall tabulation compiled by Congressional Quarterly, setting forth individual and party support for the program of President Eisenhower.

You will recall that on several occasions I have taken sharp issue with the rollcall interpretations by your organization as I believe they truly misrepresented the position of President Eisenhower. In your letter of August 8, 1956, you stated: "In analyzing the rollcall votes with reference to support or opposition to the President's position, Congressional Quarterly bases its selection of rollcalls solely upon public statements of the President."

Mr. SALTONSTALL. I announce that the Senator from Nebraska [Mr. Griswold] is absent on official business.

The Senator from Kansas [Mr. SCHOEPEL] is necessarily absent, and his pair has been previously announced by the Senator from Washington [Mr. MAGNUSON].

Mr. CLEMENTS. I announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

The Senator from Tennessee [Mr. KEFAUVER] is absent on official business.

The result was announced—yeas 70, nays 21, as follows:

Yeas, 70: Aiken; Barrett; Beal; Bennett; Bricker; Bridges; Bush; Butler, Maryland; Butler, Nebraska; Byrd; Capehart; Carlson; Case; Clements; Cooper; Cordon; Daniel; Dirksen; Dworshak; Eastland; Ellender; Ferguson; Flanders; Frear; Fulbright; George; Gillette; Goldwater; Gore; Hayden; Hickenlooper; Hill; Hoey; Holland; Jenner; Johnson, Colorado; Johnson, Texas; Johnston, South Carolina; Kerr; Knowland; Langer; Long; Malone; Martin; Maybank; McCarran; McCarthy; McClellan; Millikin; Monroney; Mundt; Payne; Potter; Purtell; Robertson; Russell; Saltonstall; Smathers; Smith, Maine; Smith, New Jersey; Smith, North Carolina; Sparkman; Stennis; Taft; Thye; Watkins; Welker; Wiley; Williams; Young.

Nays, 21: Anderson; Douglas; Duff; Green; Hendrickson; Hennings; Humphrey; Hunt; Ives; Jackson; Kennedy; Kilgore; Kuchel; Lehman; Mansfield; Morse; Murray; Neely; Pastore; Symington; Tobey.

Not voting, 5: Chavez; Griswold; Kefauver; Magnuson; Schoeppel.

So Mr. Taft's motion to lay Mr. ANDERSON's motion on the table was agreed to.

Mr. McNAMARA. Mr. President, to complete the record on this point, I ask unanimous consent to have printed in the RECORD at this place in my remarks the yea-and-nay vote on March 7, 1949, by which the Senate adopted, 63 to 23, Senate rule 22 requiring 64 votes to limit debate.

There being no objection, the vote was ordered to be printed in the RECORD, as follows:

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Nebraska [Mr. Wherry] for himself and other Senators, in the nature of a substitute for Senate Resolution 15.

Mr. Wherry and other Senators asked for the yeas and nays, and they were ordered.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RUSSELL (when Mr. McCLELLAN's name was called). Repeating the announcement I have heretofore made respecting the pair of the Senator from Arkansas [Mr. McCLELLAN] with the Senator from Montana [Mr. MURRAY], I wish to announce that if the Senator from Arkansas were present he would vote "yea" and if the Senator from Montana were present he would vote "nay."

Mr. TAYLOR (when his name was called). On this vote I have a pair with the junior Senator from Arkansas [Mr. FULBRIGHT], who is absent on public business. If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. MYERS. Mr. President, I again wish to announce that the Senator from Maryland [Mr. O'Connor] and the Senator from Wyoming [Mr. O'MAHONEY], who are absent on public business, are paired on this vote. If present and voting, the Senator from Maryland would vote "yea," and the Senator from Wyoming would vote "nay."

I announce also that the Senator from New Mexico [Mr. CHAVEZ], the Senator from

Montana [Mr. MURRAY], the Senator from Oklahoma [Mr. Thomas], and the Senator from New York [Mr. Wagner] are necessarily absent.

The Senator from Arkansas [Mr. McCLELLAN] is absent because of a death in his family.

I announce further that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Oklahoma [Mr. Thomas], and the Senator from New York [Mr. Wagner] would vote "nay."

The result was announced—yeas 63, nays 23, as follows:

Yeas, 63: Baldwin; Brewster; Bricker; Bridges; Butler; Byrd; Cain; Capehart; Chapman; Connally; Cordon; Donnell; Eastland; Ecton; Ellender; Flanders; Frear; George; Gurney; Hayden; Hendrickson; Hickenlooper; Hill; Hoey; Holland; Hunt; Jenner; Johnson of Colorado; Johnson of Texas; Johnston of South Carolina; Kefauver; Kem; Kerr; Knowland; Long; McCarran; McCarthy; McClellan; McKellar; Martin; Maybank; Miller; Millikin; Mundt; Reed; Robertson; Russell; Saltonstall; Schoeppel; Smith of Maine; Smith of New Jersey; Sparkman; Stennis; Taft; Thye; Tydings; Vandenberg; Watkins; Wherry; Wiley; Williams; Withers; Young.

Nays, 23: Aiken; Anderson; Douglas; Downey; Ferguson; Gillette; Green; Humphrey; Ives; Kilgore; Langer; Lodge; Lucas; McGrath; McMahon; Magnuson; Malone; Morse; Myers; Neely; Pepper; Thomas of Utah; Tobey.

Not voting, 9: Chavez; Fulbright; McClellan; Murray; O'Connor; O'Mahoney; Taylor; Thomas of Oklahoma; Wagner.

So the amendment, in the nature of a substitute for Senate Resolution 15, proposed by Mr. Wherry for himself and other Senators, was agreed to.

The VICE PRESIDENT. The question is on agreeing to Senate Resolution 15, as amended by the substitute.

The resolution, as amended, was agreed to.

Mr. RUSSELL. Mr. President, I move that the Senate reconsider the vote by which the resolution, as amended, was agreed to.

Mr. KNOWLAND. Mr. President, I move to lay that motion on the table.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from California to lay on the table the motion of the Senator from Georgia.

The motion to lay on the table was agreed to.

Mr. McNAMARA. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD excerpts from the CONGRESSIONAL RECORD in the case of 2 cloture votes taken in 1950, showing that, although many more than a majority of the Senators voted to limit debate, the majorities fell 12 and 9 short, respectively, of the 64 required by rule XXII.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

[From the CONGRESSIONAL RECORD of May 19, 1950, pp. 7299-7300]

The VICE PRESIDENT. A quorum is present. The question before the Senate is, Is it the sense of the Senate that the debate shall be brought to a close? Those who favor bringing the debate to a close will vote "yea" when their names are called; those who are opposed will vote "nay." The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CHAPMAN (when Mr. Withers' name was called). My colleague, the junior Senator from Kentucky, Mr. Withers, is necessarily absent today. I am authorized by him to say that if he were present he would vote "nay."

The rollcall was concluded.

Mr. MYERS. I announce that the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Oklahoma, Mr. Thomas, are absent by leave of the Senate.

The Senator from California, Mr. Downey, and the Senator from North Carolina, Mr. Graham, are absent because of illness.

The Senator from Delaware [Mr. FREAR] is absent by leave of the Senate on official business.

The Senator from Montana [Mr. MURRAY] is absent because of a death in his family. The Senator from Florida, Mr. Pepper, is absent on public business.

The Senator from Maryland, Mr. Tydings, is absent on official business in connection with his duties as chairman of a subcommittee of the Committee on Foreign Relations.

I announce further that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Delaware [Mr. FREAR], the Senator from Montana [Mr. MURRAY], and the Senator from Oklahoma, Mr. Thomas, would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from North Dakota [Mr. LANGER], the Senator from Colorado Mr. Millikin, and the Senator from Oregon [Mr. MORSE] are absent by leave of the Senate. If present and voting, the Senator from North Dakota [Mr. LANGER] and the Senator from Oregon [Mr. MORSE] would each vote "yea."

The yeas and nays resulted—yeas 52, nays 32, as follows:

Yeas, 52: Aiken; Anderson; Benton; Brewster; Bricker; Butler; Cain; Capehart; Cordon; Darby; Donnell; Douglas; Dworshak; Ferguson; Flanders; Gillette; Green; Hendrickson; Hickenlooper; Humphrey; Hunt; Ives; Jenner; Kem; Kilgore; Knowland; Leahy; Lehman; Lodge; Lucas; McCarthy; McMahon; Magnuson; Martin; Myers; Neely; O'Connor; O'Mahoney; Saltonstall; Schoeppel; Smith, Maine; Smith, New Jersey; Taft; Taylor; Thomas, Utah; Thye; Tobey; Vandenberg; Watkins; Wherry; Wiley; Williams.

Nays, 32: Bridges; Byrd; Chapman; Connally; Eastland; Ecton; Ellender; Fulbright; George; Gurney; Hayden; Hill; Hoey; Holland; Johnson, Colorado; Johnson, Texas; Johnston, South Carolina; Kefauver; Kerr; Long; McCarran; McClellan; McFarland; McKellar; Malone; Maybank; Mundt; Robertson; Russell; Sparkman; Stennis; Young.

Not voting, 12: Chavez; Downey; Frear; Graham; Langer; Millikin; Morse; Murray; Pepper; Thomas, Oklahoma; Tydings; Withers.

The VICE PRESIDENT. On this vote the "yeas" are 52, the "nays" 32. Under the rule, the votes of 64 Members of the Senate, or two-thirds of those duly elected and sworn, would be required to carry the motion, and not having received a sufficient number, the motion is not agreed to.

[From the CONGRESSIONAL RECORD of July 12, 1950, pp. 9981-9982]

The VICE PRESIDENT. A quorum is present. The question is, Is it the sense of the Senate that the debate shall be brought to a close? Under the rule, the Secretary will call the roll. Those who are in favor of the motion will answer "yea" when their names are called. Those who are opposed to the motion will answer "nay" when their names are called.

The legislative clerk called the roll.

Mr. CHAPMAN. My colleague, the junior Senator from Kentucky [Mr. Withers] is absent by leave of the Senate. If he were present, he would vote "nay."

Mr. MYERS. I announce that the Senator from Idaho [Mr. Taylor] is absent by leave of the Senate. If he were present, he would vote "yea."

I also announce that the Senator from California [Mr. Downey] is absent because of illness.

The Senator from Maryland [Mr. O'Connor] is absent by leave of the Senate on official business, having been in attendance at the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

The Senator from Florida [Mr. Pepper] is absent because of the death of Judge Curtis Waller, a personal friend, whose funeral is being held today.

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. Cain], the Senator from Kansas [Mr. Darby], and the Senator from New Hampshire [Mr. Tobey] are absent by leave of the Senate. If present and voting, the Senator from Washington [Mr. Cain], and the Senator from New Hampshire [Mr. Tobey] would each vote "yea."

The yeas and nays resulted—yeas 55, nays 33, as follows:

Yeas, 55: Aiken; Anderson; Benton; Brewster; Bricker; Butler; Capehart; Chavez; Cordon; Donnell; Douglas; Dworshak; Ferguson; Flanders; Frear; Gillette; Green; Hendrickson; Hickenlooper; Humphrey; Hunt; Ives; Jenner; Kem; Kilgore; Knowland; Langer; Leahy; Lehman; Lodge; Lucas; McCarthy; McMahon; Magnuson; Martin; Millikin; Morse; Murray; Myers; Neely; O'Mahoney; Saltonstall; Schoeppel; Smith; Maine; Smith, New Jersey; Taft; Thomas, Oklahoma; Thomas, Utah; Thye; Tydings; Vandenberg; Watkins; Wherry; Wiley; Williams.

Nays, 33: Bridges; Byrd; Chapman; Connally; Eastland; Ecton; Ellender; Fulbright; George; Graham; Gurney; Hayden; Hill; Hoey; Holland; Johnson, Colorado; Johnson, Texas; Johnston, South Carolina; Kefauver; Kerr; Long; McCarran; McClellan; McFarland; McKellar; Malone; Maybank; Mundt; Robertson; Russell; Sparkman; Stennis; Young.

Not voting, 8: Cain; Darby; Downey; O'Connor; Pepper; Taylor; Tobey; Withers.

The VICE PRESIDENT. Fewer than the required number of 64 Senators having voted in the affirmative, the motion is rejected.

ORDER OF BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that the motion just voted upon be withdrawn, and that the Senate proceed to the consideration of Senate bill 7786, the appropriation bill which the Senate has heretofore been considering.

Mr. McNAMARA. Mr. President, it is important now that the American people understand that if the Senate passes this bill in its present emaciated and misshapen form, that will not prove that rule XXII is tolerable; neither will it prove that the Senate can function despite the threat of filibuster; but it will prove that Senate rule XXII is intolerable.

Because rule XXII substitutes the rule of a filibustering minority for majority rule, the Senate cannot function as a democratic body, but has been coerced into taking part in the systematic emasculation and distortion of a minimum civil-rights bill which the House passed by a vote of 286 to 126.

Certainly we can return to the issue of majority rule no later than the opening moments of the 86th Congress.

Meanwhile, we can take the issue of civil rights versus King Filibuster out of this Chamber and to the American people between now and the 1958 elections. If we do that, I believe there is good reason to believe that the Senate will topple King Filibuster from his invisible throne above this Chamber.

We shall then be free to legislate by majority rule—thus meeting the needs

and desires of the American people as they develop—instead of being too late with too little.

Until that day comes, civil rights in this Nation and majority rule in the United States Senate will continue to be a top moral and political issue. We who believe in both have our work cut out for us.

It is going to take hard work to get the facts and the meaning of the facts to the American people.

If we do that, I have every confidence that we shall remove the roadblock of the filibuster which bars the way to full civil rights for all Americans.

Once that is done, the Senate can pass civil-rights measures which will give genuine, equal protection of the laws to all Americans, regardless of race, religion, color, national origin, or ancestry.

Mr. NEUBERGER. Mr. President, will the Senator from Michigan yield to me?

The PRESIDING OFFICER (Mr. BIBLE in the chair). Does the Senator from Michigan yield to the Senator from Oregon?

Mr. McNAMARA. Yes; if I have time in which to yield.

The PRESIDING OFFICER. The Senator from Michigan has 3 minutes remaining.

Mr. McNAMARA. Then I am glad to yield.

Mr. NEUBERGER. First of all, I desire to compliment my personal friend and colleague, the junior Senator from Michigan, for the leadership and the persistent courage he has shown in advocating the enactment of civil-rights legislation. I am sure the people of the United States, who want to have a strong and meaningful civil-rights bill enacted, know that if the views and efforts of the junior Senator from Michigan had prevailed, such a bill would have been adopted by us.

The Senator from Michigan referred to his belief that the bill was crippled and weakened when part III was eliminated from it. Is that correct?

Mr. McNAMARA. Yes; that certainly is true.

Mr. NEUBERGER. I agree with the Senator from Michigan in that particular respect, just as I agree with him in the case of some of the other things he has had to say.

Is it not true that the President of the United States has deplored the bill as it is now before the Senate, and has contended that the bill is too weak?

Mr. McNAMARA. According to the press, I find that to be true.

Mr. NEUBERGER. Is it not equally true that the President of the United States himself contributed to the weakening of the bill, when, at one of his press conferences, he personally expressed grave doubt about the wisdom of part III, as included in the bill as it was passed by the House of Representatives, and as that part was included in the bill which was originally before the Senate?

Mr. McNAMARA. Yes. I think his vacillation was very harmful to the bill.

Mr. NEUBERGER. As I recall, if I am not mistaken, the President himself felt that part III should go into effect

only when a local official in a community requested the Attorney General of the United States to apply the provisions of part III.

Mr. McNAMARA. That is also my understanding.

Mr. NEUBERGER. Of course, such a procedure in the bill would be like suggesting to a person who has robbed a bank that he pull the burglar alarm.

Mr. McNAMARA. That is true.

Mr. NEUBERGER. As we know, in the cases of the denial of the right to vote in certain parts of the country, the local officials themselves have at times been confederates in that particular situation.

Mr. McNAMARA. That is true.

I desire to thank my distinguished colleague, the Senator from Oregon. It has been a pleasure to work with him, and he has worked enthusiastically for the viewpoint I have expressed. I appreciate having him as a real partner in that work, and I thank him.

The PRESIDING OFFICER. The time yielded to the Senator from Michigan has expired.

Mr. STENNIS obtained the floor.

AMENDMENT OF SECTION 22 OF THE INTERSTATE COMMERCE ACT

Mr. MAGNUSON. Mr. President, will the Senator from Mississippi yield to me, in order that I may request the Chair to lay before the Senate a privileged matter? It will take only a moment to consider it; and I would ask unanimous consent, in that connection, that the time required for that purpose not be charged to the time available to either side in connection with consideration of the civil-rights bill.

Mr. STENNIS. Mr. President, I must object unless an understanding about the matter is reached.

Mr. MAGNUSON. Only 1 minute will be required to have the Chair lay the matter before the Senate and to have conferees appointed.

Mr. STENNIS. Very well; I yield for 1 minute for that purpose.

The PRESIDING OFFICER. The Senator from Washington is recognized for 1 minute.

Mr. MAGNUSON. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives regarding Senate bill 939.

The PRESIDING OFFICER (Mr. BIBLE in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 939) to amend section 22 of the Interstate Commerce Act, as amended, which was, to strike out all after the enacting clause and insert:

That section 22 of the Interstate Commerce Act, as amended (49 U. S. C. 22), is amended as follows:

(a) By inserting "(1)" immediately after "Sec. 22."

(b) By striking out the words "nothing in this part" where they appear after the first semicolon and inserting the following: "except that the foregoing provisions of this section shall not apply to the carriage, storage, or handling of shipments of 'household goods' as defined by the Interstate Commerce Commission in Practices of Motor Common Carriers of Household Goods (17

M. C. C. 467) by duly authorized motor common carriers of household goods, when such carriage, storage, or handling is for the United States Government. Nothing in this part."

(c) By inserting at the end of such section the following:

"(2) All quotations or tenders of rates, fares or charges under paragraph (1) of this section for the transportation, storage, or handling of property or the transportation of persons free or at reduced rates for the United States Government, or any agency or department thereof, including quotations or tenders for retroactive application whether negotiated or renegotiated after the services have been performed, shall be in writing or confirmed in writing and a copy or copies thereof shall be submitted to the Commission by the carrier or carriers offering such tenders or quotations in the manner specified by the Commission and only upon the submittal of such a quotation or tender made pursuant to an agreement approved by the Commission under section 5a of this act shall the provisions of paragraph (9) of said section 5a apply, but said provisions shall continue to apply as to any agreement so approved by the Commission under which any such quotation or tender (a) was made prior to the effective date of this paragraph or (b) is hereafter made and for security reasons, as hereinafter provided, is not submitted to the Commission: *Provided*, That nothing in this paragraph shall affect any liability or cause of action which may have accrued prior to the date on which this paragraph takes effect.

Submittal of such quotations or tenders to the Commission shall be made concurrently with submittal to the United States Government, or any agency or department thereof, for whose account the quotations or tenders are offered or for whom the proposed services are to be rendered. Such quotations or tenders shall be preserved by the Commission for public inspection. The provisions of this paragraph requiring submissions to the Commission shall not apply to any quotation or tender which, as indicated by the United States Government, or any agency or department thereof, to any carrier or carriers, involves information the disclosure of which would endanger the national security."

Mr. MAGNUSON. Mr. President, I move that the Senate disagree to the amendment of the House of Representatives, request a conference thereon with the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. SMATHERS, Mr. LAUSCHE, Mr. YARBOROUGH, Mr. SCHOEPPPEL, and Mr. PURTELL the conferees on the part of the Senate.

CIVIL RIGHTS ACT OF 1957

The Senate resumed the consideration of the bill (H. R. 6127) to provide means of further securing and protecting the civil rights of persons within the jurisdiction of the United States.

Mr. STENNIS. Mr. President, I yield 20 minutes to the Senator from North Carolina [Mr. SCOTT].

The PRESIDING OFFICER. The Senator from North Carolina is recognized for 20 minutes.

Mr. STENNIS. Mr. President, may we have order? There is considerable disorder on the floor of the Senate, because of the presence of certain persons not Members of the Senate, and also because

of considerable conversation and moving about.

The PRESIDING OFFICER. The Senate will be in order; all conversations will cease. The Senator from North Carolina, who has been recognized, will not proceed until there is order in the Chamber.

The Senator from North Carolina may now proceed.

Mr. SCOTT. Mr. President, in my home neighborhood we have a small community which has a good Methodist church and a good Presbyterian church. These two denominations work very closely together on all civic matters and on all church matters.

For a long time the Methodist Church had its good Methodist minister and his wife, and the Presbyterian Church had its good Presbyterian minister and his wife. Then it so happened that the Methodist minister died, and a short time thereafter the wife of the Presbyterian minister died. Not very long afterward, the Methodist widow and the Presbyterian widower decided to get married.

After they had been married a little while, the former widow of the Methodist minister became exasperated at her new husband, John; and she told him about it in no uncertain terms.

She said to him, "John, you are so contrary and so stubborn—I hate to say it, but you are so stubborn—that I just have to say that you are going straight to hell."

In fact, she was bearing down on him, as one could well imagine.

Finally, he stood up—he was a long, Ichabod-type of man—and said, "Well, Martha, I would rather be a Presbyterian and know I was going to hell than be a Methodist and never know where in the hell I was going." [Laughter.]

Mr. President, we in North Carolina know where we are going, as regards this civil-rights business, if others will just let us get there, and will not monkey with us too much.

Mr. President, on several occasions since I have been in the Senate, I have found myself in the strange position of agreeing with President Eisenhower.

While reading the newspapers during the past weekend, I became convinced that once again the President has seen the light, and has decided that his civil-rights bill is no good.

The speculation in the newspapers lately has been very strongly to the effect that the President would veto the civil-rights bill if it is sent to him.

If these reports are true, then I think the President will be displaying rare wisdom in vetoing the bill, in the event he gets the opportunity to do so.

It is strange how many of us have mixed emotions about the news that comes out of the White House from time to time. At times it has been difficult to determine just how the President does feel about his own civil-rights bill.

In view of what we have seen happen at the White House on civil rights, I think it would be better to go ahead and fix things here in the Senate so the President would not have to worry about making up his mind again on this thing.

If it should pass all the legislative hurdles, there is always the danger the President might change his mind while the bill was getting from the Capitol to the White House.

Since the President is at times allergic to sticking by the decisions he makes, it would certainly be in the public interest to go ahead and kill the bill while we still have it. I say this because of the importance of the decision facing us. I say it is the responsibility of the Senate to defeat the bill if it is the purpose of Congress to promote good race relations and to further insure the actual practicing of the right to vote.

We were told in the beginning that this was a bill to put into practice the right to vote—just a "little" bill that would bring about the guaranty of this cherished right.

At that point, I am reminded of a neighbor at home we called Uncle Fisher. He had a horse which had the blind staggers, but he thought a lot of the horse. One of his laborers knew Uncle Fisher was quite a trusting fellow. He said, "I'll tell you what you do to cure your horse of blind staggers." He said, "All right." The laborer said, "You get up on a chopping block and take the mall and hit the horse behind the ear." He did. Of course, he promptly killed the horse. In a day or two the man came around to see Uncle Fisher, and he said, "How did the remedy work?" Uncle Fisher said, "It was a fine remedy. The only trouble was I hit him just a 'leettle' too hard." That is the situation here. It seems to me they have overreached and have gone just a little too far.

Now that we have gotten this little bill amended to be almost what it was advertised to be, we hear that it is unacceptable because it is not strong enough. In spite of the fact that we have improved the bill a great deal, in spite of the fact we have filed down its horns, it is still a bill that would do more harm than good. Remember, it was just a little bill to start with, but I have never in my life seen any bill, regardless of what size it was, stir up so much dust as this one has.

After working on the bill for weeks and making a halfway respectable bill out of it—after making it pretty near what the self-styled righteous civil-righters and the buzzards of iniquity have been yelling for—we find that it is not acceptable.

The Philistines say it is no good after all—they do not want a civil-rights bill as long as it is a piece of civil legislation. To me this is proof of what the people of the South have felt all along about the whole civil-rights controversy, and that is this: The do-gooders—the uninformed and misinformed petty politicians who spend their time slobbering about how cruel the South is to the Negro—are concerned only about how Negroes vote, rather than whether or not they have the right to vote.

That is the crux of this whole thing. Frankly, I feel that many of those who seem so concerned about people voting really care far more about voting results than voting rights. The supposed fight for civil rights in the South has become

the battle for ballots in the big cities. This, Mr. President, is the root system of this whole issue. And it is the reason it would be a serious mistake to pass the bill we have before us in the name of civil rights.

If this little bill goes on the lawbooks, it will mean that the President would immediately appoint a so-called Civil Rights Commission that is provided for in section 1.

All of us know that the President is not interested in politics. At least, that is what he says. If anybody doubts it, all they have to do is ask him. Last week, for example, he got as mad as a wet hen when somebody implied there were politics and campaign contributions involved in the appointment of a certain ambassador. All of us know the President is an honorable man, and when he says something nobody ought to have the nerve to disagree with him or question him, or at least I get this impression from what he says. After all, he is above politics; so he is above all this business of angling for votes and figuring out how to get people to vote for him or his party.

I point this out because if the President's little bill is enacted, it will establish a commission to go around the country checking up on elections officials and other people. It could be a sort of roving election-year Gestapo, if it wanted to be. But again, I am confident that the President wouldn't consider making anything political out of the Commission.

I am afraid, however, that some of the bugle boys in the palace guard around the White House might have some interest in politics and might make hay out of the Commission, regardless of the good intentions of the President.

It would be very simple, for example, for the Commission to march through the country every 2 years and shout and holler about how the colored people are faring in the South. I can say that with all sincerity, because that is what they have been doing ever since the Civil War.

The Commission would also have the power to reach down into any community in the United States and jack up local officeholders when they get in the way of troublemakers who are out to agitate and stir up the emotions of the people. There would be ample authority vested in the Commission to bring about complete chaos at all levels of local government.

There seems to me to be a lot of evidence that the Commission section was stuck into the bill as a sort of gimmick to set up a clearinghouse for election-campaign material. Certainly the other sections of the bill would more than suffice as a guaranty that nobody would be run over roughshod when he tried to register and vote.

So, if it is the purpose of the bill to be strictly a voting bill, then there is no earthly reason to create another commission that could do little more than act as a political propaganda machine.

First and foremost, then, it seems very unwise to me for Congress to give birth to such an animal as the so-called Civil Rights Commission. With emotions and tensions over race relations as sensitive as they are today throughout the South,

it would be a serious mistake to create what could easily turn out to be a monster. The gamble is too great because we are already walking on eggs in the crosscurrents of bitterness and strife—and they are thin eggs, too—at least Cousin Ezra says so.

I say to you, Mr. President, let us leave well enough alone.

I am trying to emphasize this point because to me it gets at the overwhelming and compelling reason why Congress would be doing a lot more in the long run for civil rights if it would kill this bill rather than enact it into law.

I say it because we in the South will make much more progress toward a solution of problems in all the fields of discrimination if we are left to do the job in our own way.

It has been only a few years since we were hearing a lot of screaming and yelling about lynching and the poll tax.

No antilynching bill was passed, but we do not hear of any lynching going on in the South today.

No antipoll tax bill was passed, but we hear very little these days about the poll tax laws which are still in existence being used to hurt colored people in the South.

It just so happens that the issue right now is the so-called right to vote. It might come as a surprise to many people, but the South has been making tremendous progress in this field in recent years. Last year alone it is estimated that some 20,000 new Negro voters were put on the registration books in North Carolina, which is quite an increase in 1 year.

The point I should like to make is that the South is moving right along in this field, as well as in others.

If the bill should be enacted, I am afraid that serious damage would be done to the overall progress that is being made in the South.

In the bill are the makings—the basic ingredients—for setting man against man, neighbor against neighbor, and people against people. And when that is done, any and all progress suffers.

When I think about voting rights in the South I always think about an election we had in our community around the turn of the century—in fact, in 1902. My father told me about it when I was just a boy, and I shall never forget it.

There was an elderly Negro man by the name of Loftin Chaves who lived in the community. Loftin Chaves voted under the grandfather clause. He was an ex-slave. I recall that the people in the community, as we do here in the Senate and everywhere else, had made a check to see how the election would result, and it was found that the vote would be a tie vote, or so it looked.

The people of the neighborhood can tell us about the occurrence now, though there are not many left who know about it. I was only 5 years old at the time the incident occurred. I believe, however, that I could go within 5 yards of where I last saw Loftin Chaves.

Loftin Chaves was splitting rails. In splitting the rails he was using a wooden maul and a glut made out of dogwood. He was splitting a white oak tree which had been cut.

As I recall, some of those who were on the other side in the election decided they had to get Loftin Chaves out of the way, so they hatched up a scheme. They tried to get Loftin Chaves to carry some wheat to be ground up at the mill in Person County.

So Loftin Chaves was sent with a one-horse wagon and a load of grain to get the wheat ground.

When the citizens there checked up, the folks who were in favor of the school district discovered that Loftin Chaves was gone, so they immediately put two men on horses to attempt to catch up with him. They did overtake him, and they hitched his horse to a little sapling and put him on one of the horses they had and brought him back to vote. After he had voted they carried him back to let him finish with his errand.

As they did that they realized that Loftin Chaves was the ex-slave who voted under the grandfather clause, and it was he who saved the election for us.

I shall never forget that story, though I was barely 5 years old at the time of the incident, and my reason for telling it is that the election carried by one vote. The people in my neighborhood began to ring the farm bells.

The PRESIDING OFFICER. The time of the Senator from North Carolina has expired. It is the understanding of the Chair that the acting majority leader yields an additional 3 minutes to the Senator from North Carolina, and he may proceed.

Mr. SCOTT. The residents thereabouts started to ring the farm bells. I can remember hearing them at home. I did not know exactly what had happened, but they started to ring the bells, one member of the family and then another taking turns ringing the bells far into the night, because they had won the election.

Due to the winning of that election, I was conscious as a little boy that something very momentous had happened in our neighborhood. The bell ringing went on into the night. Incidentally, our farm bell is still there at the old home place.

When I go home I have the pleasure of seeing a Negro school bus, with either a Negro boy or a Negro girl driving the bus, coming by my house, and a white school bus, for the white children, coming by at the same time. The children often get off in front of my house, where I have a big pecan tree. If one goes by there, he will see it.

One thing which has happened, which I shall never forget when I think about those two school buses, is that we have established good high schools for the white children and good high schools for the Negro children, and buses for both races. But those two buses would never have been employed as they are if it had not been for old Loftin Chaves. Some day a marker ought to be set up in memory of that man, because his one vote carried the election.

I should like to remind Senators that President Lincoln, before he reached the Presidency, was famous for splitting rails. Loftin Chaves won an election by one vote, and he was a rail splitter,

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
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HIGHLIGHTS: Senate agreed to conference report on mutual security authorization bill. Both Houses agreed to conference report on public works appropriation bill. Senate passed temporary appropriations measure for August. Sen. Morse inserted Farmers' Union telegram opposing Paarlberg nomination. Conferees agreed to file conference report on poultry inspection bill. House subcommittee ordered reported bill to suspend payments on loans in disaster areas.

SENATE

1. FOREIGN AID. Agreed to the conference report on S. 2130, the mutual security authorization bill. pp. 13204-6, 13213-21, 13287-328
2. PUBLIC WORKS APPROPRIATION BILL, 1958. Both Houses agreed to the conference report on this bill, H. R. 8090, and acted on amendments in disagreement. This bill will now be sent to the President. pp. 13329-41, 13230-7
3. TEMPORARY APPROPRIATIONS. Passed without amendment H. J. Res. 426, to provide appropriations for Aug. 1957 pending enactment of the regular appropriations for certain agencies. This measure will now be sent to the President. p. 13191
4. NOMINATION. Sen. Morse inserted a telegram from James G. Patton, of the Farmers Union, opposing the nomination of Don Paarlberg as Assistant Secretary of Agriculture. p. 13190

5. PERSONNEL. Began debate on S. 2127, to amend the Federal Employees' Life Insurance Act of 1954 so as to limit reductions in the face value of policies after retirement. pp. 13191-5

Several Senators spoke in favor of pay raises for Federal employees. Sen. Humphrey claimed the administration has encouraged inflation, through increased interest rates, and should not object to pay raises from the inflation standpoint. He suggested that the administration had caused reductions in farm income. He gave increased food processing costs as a reason for Government pay raises. pp. 13195-201

6. LAND WITHDRAWALS. The Interior and Insular Affairs Committee reported without amendment H. R. 5538, to provide that withdrawals, reservations, or restrictions of more than 5,000 acres of public lands for certain purposes shall not become effective until approved by act of Congress (S. Rept. 857). p. 13173

7. ELECTRIFICATION. Sen. Murray inserted several resolutions from the N. Dak. Assn. of Rural Electric Cooperatives. pp. 13172-3

8. TRANSPORTATION. The report of the Small Business Committee on "Mergers and Possible Growth of Concentration in the Trucking Industry" was presented. p. 13178

9. TENNESSEE VALLEY AUTHORITY. Sen. Schoeppel inserted an editorial favoring the nomination of A. R. Jones to the TVA Board. p. 13182

HOUSE

10. POULTRY INSPECTION. The Conferees agreed to file a conference report on S. 1747, to provide for the compulsory inspection by this Department of poultry and poultry products. p. D774

11. TRANSPORTATION. The conferees agreed to file a conference report on S. 939, to amend the Interstate Commerce Act to provide that reduced rate agreements for the movement of government freight or passengers shall apply only in time of war or national emergency, and to finalize contracts made between the government and common carriers. p. D774

12. FARM LOANS. A subcommittee of the Agriculture Committee ordered reported H.R. 8934, to make available to farmers in disaster areas a one-year suspension of payments of principal and interest on loans obtained from this Department. p. D772

Received a Peach Growers Cooperative Assoc. petition favoring the enactment of this legislation. p. 13286

13. FLOOD CONTROL. The Public Works Committee reported with amendment S. 497, the rivers and harbors and flood control bill (H. Rept. 1122). p. 13283

14. WATER UTILIZATION. The Interior and Insular Affairs Committee reported without amendment H.R. 8465, to grant the consent of Congress to the Klamath River Basin compact between the States of Calif. and Ore. (H. Rept. 1130). p. 13284

15. WATERSHEDS. Received from the Bureau of the Budget watershed work plans for the Caney Creek watershed, Ark., the Sandy Creek watershed, Okla., the Lacamas Creek tributaries watershed, Wash., and the Sulphur Creek watershed, Tex.; to Agriculture Committee. p. 13283

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued August 15, 1957
For actions of August 14, 1957
85th-1st, No. 147

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HIGHLIGHTS: House received conference report on poultry inspection bill. House agreed to conference report on mutual security authorization bill. Ready for President. Sen. Watkins urged passage of bill to transfer certain work under Packers and Stockyards Act to FTC. Sen. Stennis introduced and discussed bill to preserve cotton acreage history.

HOUSE

1. FOREIGN AID. By a vote of 226 to 163, agreed to the conference report on S. 2130, the mutual security authorization bill. This bill will now be sent to the President. pp. 13431-5
Received from the President foreign-aid appropriation estimates for 1958 of \$3,386,860,000; to Appropriations Committee (H. Doc. 225). p. 13493
Reps. Albert and Cannon announced that the foreign-aid appropriation bill is to be debated beginning today, Aug. 15. pp. 13450, 13472
2. POULTRY INSPECTION. Received the conference report on S. 1747, the poultry inspection bill (H. Rept. 1170). pp. 13472-5
3. TEXTILE IDENTIFICATION. Passed with amendments H. R. 469, to protect producers and consumers against misbranding and false advertising of the fiber content of textile fiber products. pp. 13435-50
4. TRANSPORTATION. Passed, 177-176, without amendment S. 1383, to amend the Interstate Commerce Act to change the requirements for obtaining a freight forwarder permit. This bill will now be sent to the President. pp. 13450, 13462-71

Received the conference report on S. 939, to limit the applicability of free or reduced transportation rates for Government traffic. pp. 13475-6

Passed without amendment H. R. 8825, to amend the Interstate Commerce Act so as to revise the definition of "contract carrier by motor vehicle." pp. 13477-8

5. EMERGENCY FACILITIES. Concurred in the Senate amendments to H. R. 232, which limits ODM tax-amortization authority to certificates made on or before Aug. 22, 1957, and (1) facilities to produce new or specified defense items and (2) facilities to provide research development of experimental services for the defense program. This bill will now be sent to the President.
6. FEDERAL AID. Rep. Kelley questioned turning over to the States various Federal-aid programs, including the school lunch program. p. 13480
7. FISH; RICE. The Merchant Marine and Fisheries Committee referred S. 1552, to develop methods for commercial production of fish on flooded rice acreage, back to the subcommittee for further hearings. (The subcommittee had previously reported the bill to the full committee.) p. D780

SENATE

8. MONOPOLIES; MEATPACKERS. Sen. Watkins urged passage of S. 1356, to transfer certain work under the Packers and Stockyards Act to FTC, and discussed the background and need for such legislation. pp. 13401-06
9. MILITARY CONSTRUCTION. Conferees were appointed on H.R. 8240, to authorize certain construction at military installations, including the use of foreign currencies acquired under Public Law 480 for the construction of military family housing units in foreign countries (p. 13388). House conferees were appointed Aug. 13.
10. FISHERIES. The Interstate and Foreign Commerce Committee reported with amendment S. 2349, to facilitate the conduct of fishing operations in Alaska, and to promote the conservation of its fishery resources (S. Rept. 963). p. 13344
11. FORESTRY. Sen. Neuberger inserted several articles discussing the controversy over the termination of Federal supervision over the Klamath Indians, including timberlands. pp. 13352-53
12. ELECTRIFICATION. Sen. Morse inserted a resolution and letter favoring construction of the Hells Canyon dam. p. 13356
Several Senators discussed and inserted material on the nomination of Jerome K. Kuykendall to be a member of the Federal Power Commission. pp. 13406-12, 13420-24
13. ATOMIC ENERGY. Several Senators discussed and inserted material on the development of atomic reactors. pp. 13356-58, 13388-92, 13400-01
Sen.
14. FOREIGN AID. Sen. Johnson, Knowland, and others discussed the possible effects of the President's statement on the possibility of a special session of Congress if adequate funds are not included in the mutual security appropriation bill. pp. 13412-16
15. TRANSPORTATION. Received an Ala. legislature resolution urging a reduction in excise taxes levied on transportation. p. 13343

AMENDING SECTION 22 OF THE INTERSTATE COMMERCE ACT, RELATING TO GOVERNMENT SHIPMENTS

AUGUST 14, 1957.—Ordered to be printed

Mr. HARRIS, from the committee of conference, submitted
the following

CONFERENCE REPORT

[To accompany S. 939]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 939) to amend section 22 of the Interstate Commerce Act, as amended, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following: *That section 22 of the Interstate Commerce Act, as amended (49 U. S. C., sec. 22), is amended as follows:*

(a) *By inserting "(1)" immediately after "Sec. 22."*

(b) *By inserting at the end of such section the following:*

"(2) All quotations or tenders of rates, fares or charges under paragraph (1) of this section for the transportation, storage, or handling of property or the transportation of persons free or at reduced rates for the United States Government, or any agency or department thereof, including quotations or tenders for retroactive application whether negotiated or renegotiated after the services have been performed, shall be in writing or confirmed in writing and a copy or copies thereof shall be submitted to the Commission by the carrier or carriers offering such tenders or quotations in the manner specified by the Commission and only upon the submittal of such a quotation or tender made pursuant to an agreement approved by the Commission under section 5a of this Act shall the provisions of paragraph (9) of said section 5a apply, but said provisions shall continue to apply as to any agreement so approved by the Commission under which any such quotation or tender (a) was made prior to the effective date of this paragraph or (b) is hereafter made and for security

reasons, as hereinafter provided, is not submitted to the Commission: Provided, That nothing in this paragraph shall affect any liability or cause of action which may have accrued prior to the date on which this paragraph takes effect. Submittal of such quotations or tenders to the Commission shall be made concurrently with submittal to the United States Government, or any agency or department thereof, for whose account the quotations or tenders are offered or for whom the proposed services are to be rendered. Such quotations or tenders shall be preserved by the Commission for public inspection. The provisions of this paragraph requiring submissions to the Commission shall not apply to any quotation or tender which, as indicated by the United States Government, or any agency or department thereof, to any carrier or carriers, involves information the disclosure of which would endanger the national security."

And the House agree to the same.

OREN HARRIS,
KENNETH ROBERTS,
WALTER ROGERS,
SAMUEL FRIEDEL,
CHAS. A. WOLVERTON,
JOSEPH P. O'HARA,
ROBERT HALE,

Managers on the part of the House.

GEO. A. SMATHERS,
FRANK J. LAUSCHE,
ANDREW F. SCHOEPPPEL,
W. A. PURTELL,

Managers on the part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 939) to amend section 22 of the Interstate Commerce Act, as amended, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Section 22 of the Interstate Commerce Act contains various provisions specifying the cases in which carriers may transport, store, or handle property, or transport persons, service free or at reduced rates. While the section is contained in part I of the act, which applies to carriers by railroad, it applies also to common carriers by motor vehicle, common carriers by water, and (as to transportation of property) to freight forwarders.

This legislation deals only with the rendering of such services free or at reduced rates for the Government of the United States.

Two substantially identical bills, S. 939 and H. R. 3233, were introduced in this session of the Congress to carry out a recommendation of the Interstate Commerce Commission. The principal purpose of these bills was to amend section 22 of the Interstate Commerce Act so as to limit the granting of free or reduced rates to the United States, or to State or municipal governments, to any time of war or national emergency, as declared by Congress or the President.

S. 939 was reported to the Senate and H. R. 3233 was reported to the House. As reported, S. 939 was amended so that no change would have been made in section 22 except to add thereto a new paragraph, set forth below. H. R. 3233 was reported with an amendment striking out all after the enacting clause and inserting a substitute which is explained below. S. 939 passed the Senate on June 12, 1957.

The bill as passed by the Senate made no change in section 22 except to designate the present provisions of section 22 as paragraph (1) and add a new paragraph, as follows:

(2) All quotations or tenders under paragraph (1) of this section for the transportation, storage, or handling of property or the transportation of persons free or at reduced rates for the United States Government, or any agency or department thereof, including quotations for retroactive application whether negotiated or renegotiated after the services have been performed, shall be in writing or confirmed in writing and a copy or copies thereof shall be submitted to the Commission by the carrier or carriers offering such tenders or quotations in the manner specified by the Commission. Submittal of such quotations or tenders to the Commission shall be made concurrently with submittal to the United States Government, or any agency or department thereof, for whose account the quotations or tenders are

offered or for whom the proposed services are to be rendered. Such quotations or tenders shall be preserved by the Commission for public inspection. The provisions of this paragraph shall not apply to any quotation or tender which, as indicated by the United States Government, or any agency or department thereof, to any carrier or carriers, involves information the disclosure of which would endanger the national security.

The House struck out all after the enacting clause of the Senate bill and inserted a substitute text.

The House substitute was the same as the Senate bill except as follows:

(1) It inserted a provision (par. (b) of the House substitute) amending section 22 of the Interstate Commerce Act so as to provide that the section would no longer apply in the case of the carriage, storage, or handling for the United States Government of "household goods" as defined by the Interstate Commerce Commission in Practices of Motor Common Carriers of Household Goods (17 M. C. C. 467) by duly authorized motor common carriers of household goods. This provision of the House amendment is omitted from the substitute agreed to by the conferees. The Senate conferees were not willing to include this provision in the conference agreement. Their feeling is that before any change is made in the present provisions of section 22 a broad inquiry should be made into the basic questions involved in the performance of transportation services for the Government at rates less than regular published rates.

(2) It modified the proposed new paragraph (2) of section 22 of the Interstate Commerce Act, as passed by the Senate, by inserting at the end of the first sentence of such paragraph the following language:

and only upon the submittal of such a quotation or tender made pursuant to an agreement approved by the Commission under section 5a of this Act shall the provisions of paragraph (9) of said section 5a apply, but said provisions shall continue to apply as to any agreement so approved by the Commission under which any such quotation or tender (a) was made prior to the effective date of this paragraph or (b) is hereafter made and for security reasons, as hereinafter provided, is not submitted to the Commission: *Provided*, That nothing in this paragraph shall affect any liability or cause of action which may have accrued prior to the date on which this paragraph takes effect.

The proposed new paragraph (2) as modified by the House substitute is contained in the substitute agreed to in conference.

The above-quoted language which the House added to the proposed new paragraph (2) of section 22 is intended to clarify a matter which developed after the House Committee on Interstate and Foreign Commerce had reported a bill on this subject (H. R. 3233) to the House on July 1. On July 5 Judge Joseph C. McGarraghy, of the United States District Court for the District of Columbia, rendered a memorandum opinion in the case of *Aircoach Transport Association, Inc., et al. v. Atchison, Topeka, and Santa Fe Railway Co., et al.*, holding that section 5a of the Interstate Commerce Act (commonly known as the Reed-Bulwinkle amendment) does not apply with

respect to carrier agreements relating to rates established under section 22 for transportation services to the Government of the United States. This decision was most unexpected, as it had been assumed by the carriers since the enactment of the Reed-Bulwinkle amendment in 1948 that it applied to section 22 rates in the same manner that it applies to other rates. Furthermore, it is the opinion of those Members of the House who were serving on the House Committee on Interstate and Foreign Commerce at the time the Reed-Bulwinkle amendment was passed that the intention of Congress at the time was in accord with the view taken by the rail carriers.

Briefly, the Reed-Bulwinkle amendment provides that any carrier which is a party to an agreement between two or more carriers, which relates to—

rates, fares, classifications, divisions, allowances, or charges
* * * or rules and regulations pertaining thereto, or procedures for the joint consideration, initiation or establishment thereof * * *

may apply to the Commission for approval of the agreement. The Commission must approve the agreement if it finds that by reason of furtherance of the national transportation policy declared in the Interstate Act the carriers involved should be relieved from the operation of the antitrust laws with respect to the making and carrying out of the agreement. Paragraph (9) of the Reed-Bulwinkle amendment provides that the carriers shall be so relieved from the operation of the antitrust laws upon Commission approval of the agreement.

After the House committee reported the bill and before it could be acted upon by the House, the Department of Defense approached the House committee urging that it accept as a floor amendment to the bill language intended to carry out the purpose expressed in the amendment which the House made to the new paragraph (2), described above. In urging this amendment the Department of Defense stated that the effect of the above decision would be that unless the Reed-Bulwinkle amendment is clearly applicable to section 22 rates a chaotic situation may well exist with respect to the rendering of transportation services to the United States Government under reduced rates as authorized by section 22. The Department represented that if the carriers are restrained from acting in concert in any manner in the establishment of section 22 rates, either (1) the carriers would refrain in the future from making section 22 quotations to the Department and thus in effect repeal section 22, with a consequent increased cost to the military of over \$100 million annually, or (2) individual carriers might continue to make individual quotations but under circumstances under which cutthroat competition would be inevitable.

Therefore, the language which the House added to the proposed paragraph (2) of section 22 was intended to make it clear that the Reed-Bulwinkle amendment applies in the case of section 22 rates.

However, it is the understanding of the conferees, in accepting the language which the House added to S. 939 as to the applicability of the Reed-Bulwinkle amendment to section 22 rates, that nothing therein adopted and agreed to herein would vitiate or in any way affect the order of the court in the Air Coach case or similar litigation now pending. It is the intention of your conferees that no liability or cause of action previously accrued will be affected by this bill.

The chairman of the House Committee on Interstate and Foreign Commerce, who was in charge of the bill during its consideration in the House, gave his assurance to this effect, and it is the purpose of your conferees to emphasize this understanding. The following amendment which was adopted by the House and agreed to by the conferees of the Senate makes this clear beyond doubt:

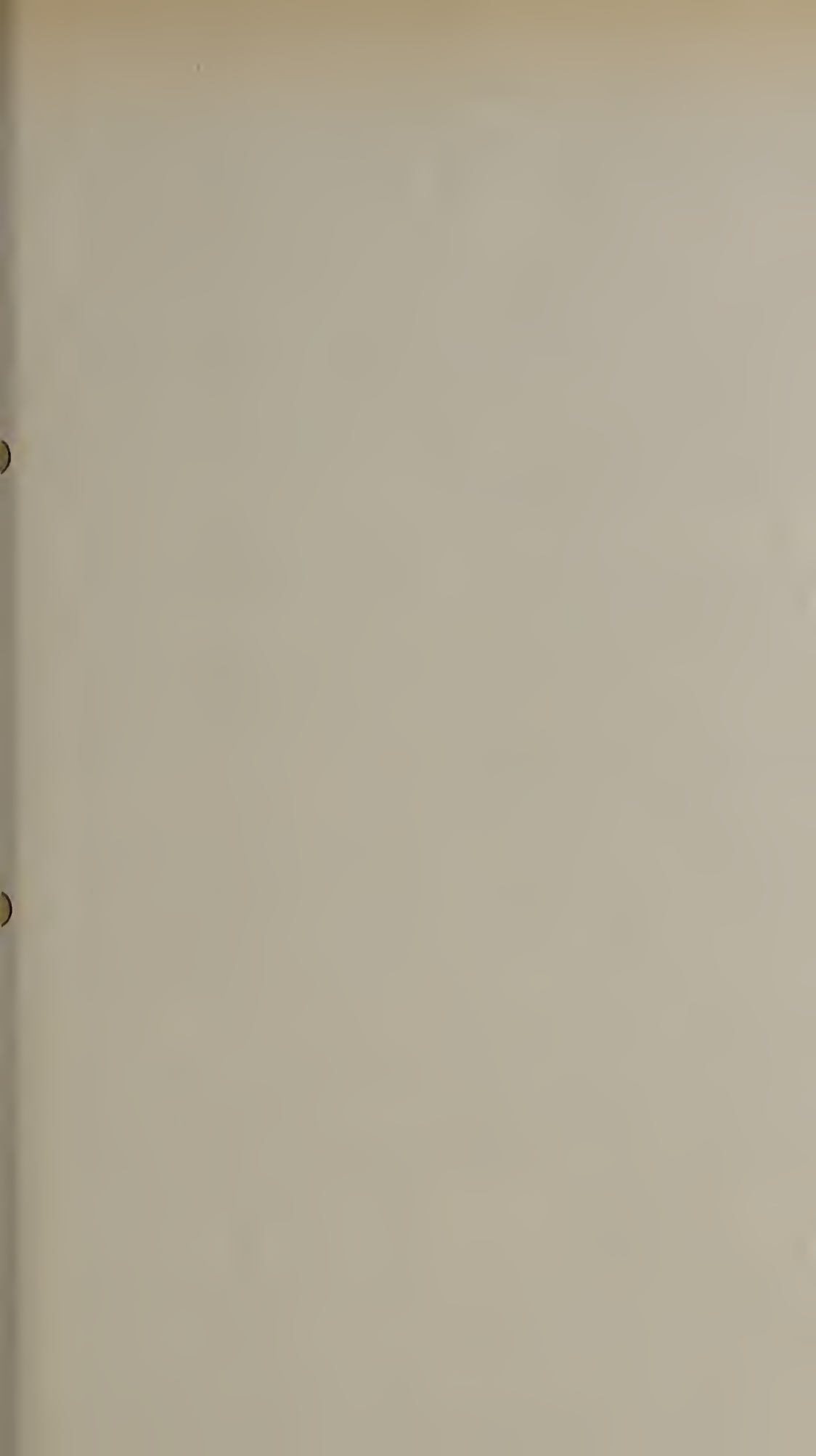
Provided, That nothing in this paragraph shall affect any liability or cause of action which may have accrued prior to the date on which this paragraph takes effect.

It has been called to our attention that under existing law there may be some discrimination against air carriers in their ability to bid for Government traffic. Although air carriers may (under secs. 412 and 414 of the Civil Aeronautics Act of 1938) enter into agreements and be granted antitrust law relief in connection therewith, no specific authority is contained in that act to permit air carriers to render services to the United States Government free or at reduced rates. Section 416 (b) of that act, however, presently authorizes the Civil Aeronautics Board, under certain conditions, to exempt any air carrier from any provision of the act, and under this section the Civil Aeronautics Board has exempted certain air carriers from the normal regulations applicable to the movement of traffic at published tariffs where such carriers have had, and were operating under, contracts with the military departments. While that provision may now contain sufficient authority with respect to the rendering of transportation services by air carriers to the Government at reduced rates, the question whether the Civil Aeronautics Act of 1938 should be amended to provide language comparable to that of section 22 is a matter which would be proper for consideration by the respective legislative committees of both Houses, along with the various proposals which have been made for modification of existing law in relation to the rendering of transportation services to the Government at reduced rates.

OREN HARRIS,
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CHAS. A. WOLVERTON,
JOSEPH P. O'HARA,
ROBERT HALE,

Managers on the Part of the House.





designation of an area as a "major consuming area." These are: (1) Any appropriate State official representing a substantial portion of such area; (2) Any appropriate local official or agency of a substantial portion of such area; or (3) An appropriate local poultry industry group in such area.

The committee of conference reemphasizes the fact that this provision as reported by the conferees provides that the public hearing contemplated is a quasi-legislative hearing and the facts or opinions submitted thereat may be supplemented by investigations by the Secretary to aid in his determination as to whether a designation of an area should be made. Such hearing and investigation are to develop not only information as to the volume of poultry marketed in a major consuming area, but all other facts which would bear upon the question as to whether the designation of such an area will tend to effectuate the purposes of the Act.

SECTION 6

Section 6 is substantially the House language. Subsection (b) was amended to make it clear that reinspection, quarantine, and segregation of poultry may take place at any time and need not be done when the plant is in operation.

In connection with post mortem inspection, the Committee of Conference in adopting the House language reiterates the interpretation of the language as contained in the House report that "the Secretary * * * shall at all times provide sufficient inspectors and employ such procedures as will not slow down processing operations in the plants being inspected."

SECTION 7

The committee of conference has followed the House language in section 7 and in doing so points out that there is no authority in this bill for the Secretary to withdraw inspection from all of the plants operated by a company if he finds that only one or more of such plants are not complying with regulations. Inspection is on a plant-by-plant basis and may be withdrawn only from the particular establishment "whose premises, facilities, or equipment, or the operation thereof, fail to meet the requirements of this section."

SECTION 8

Subsection (a) was identical in both the House and Senate versions except that the Senate bill contained authority for the Secretary to permit reasonable variations and grant exemptions from the labeling requirements in any manner not in conflict with the Federal Food, Drug, and Cosmetic Act. The conference substitute permits exemptions but requires only that they shall not be in conflict with the purposes of this Act.

Subsection (b) was identical in both bills except that the Senate bill used the words "in any particular" in connection with labeling which is "false or misleading." The conferees have adopted the Senate language in this case as being more nearly in conformity with other similar statutes.

SECTION 9

Section 9 is identical with the language of the House amendment except that a modification has been made in subsection (1) to permit the Secretary to grant some extension of time to processors of "New York dressed" poultry to comply with the provisions of the Act. The effective date of the Act with respect to its compulsory features is January 1, 1959. In view of the time which has elapsed since introduction and committee consideration of the bills the conference committee felt that some extension of this time might be needed by some processors of "New York dressed" poultry to permit the changeover of their plant and operations to the processing of eviscerated poultry. The amendment to the House

language will permit the Secretary to grant such extension "pursuant to rules and regulations prescribed" by him. It is, however, the intent of the bill that the prohibition against "New York dressed" poultry be made fully effective as soon as practicable.

SECTION 13

The committee of conference has adopted the House language in Section 13 and in doing so points out that it is the intention of the committee that subsection (b) of this section should apply to public warehousemen who handle poultry products in the course of their movement from processor to consumer on the same terms as it will apply to a carrier. A public warehouseman is in precisely the same position as a carrier except that instead of transporting he stores goods for the general public for hire. It is the opinion of the committee of conference, therefore, that public warehousemen should be treated by the Secretary in exactly the same manner as carriers in enforcing the provisions of this Act.

SECTION 17

The House language required knowledge as an element of guilt under this section with respect to a person who sells unwholesome or adulterated poultry under one of the exemptions of the Act. The Senate bill did not require knowledge in this respect and the conference bill follows the Senate language.

SECTION 20

The conference bill follows substantially the wording of the House amendment with the addition of language to make it clear that the rates of overtime and holiday pay to be charged processing establishments may be established at a reasonable uniform rate instead of being figured on an individual basis. The holidays to be counted with respect to Federal employees are those which apply to Federal civil-service employees, either by law or by Executive or administrative order. Holidays to be counted with respect to State employees will be those legally observed by employees of that State.

SECTION 24

The Senate bill contained no provision similar to section 24 of the House amendment. In view of adoption by the conference committee of the House language in section 19, providing that "the jurisdiction of the Secretary within the scope of this Act shall be exclusive," the Committee felt that section 24 would neither add to nor detract from the legal effect of the rest of the bill but might be confusing. It therefore did not include this section in the conference bill.

HAROLD D. COOLEY,
GEORGE M. GRANT,
JOHN C. WATTS,
CLARK W. THOMPSON,
WILLIAM S. HILL,
CHARLES B. HOEVEN,
CLIFFORD G. MCINTIRE,

Managers on the Part of the House.

PERMISSION TO FILE CONFERENCE REPORT

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that I may have until midnight tonight to file a conference report on the bill S. 939, to amend section 22 of the Interstate Commerce Act, as amended.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The conference report and statement follow:

CONFERENCE REPORT (H. REPT. NO. 1171)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 939) to amend section 22 of the Interstate Commerce Act, as amended, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following: "That section 22 of the Interstate Commerce Act, as amended (49 U. S. C., sec. 22), is amended as follows:

"(a) By inserting '(1)' immediately after 'Sec. 22.' .

"(b) By inserting at the end of such section the following:

"(2) All quotations or tenders of rates, fares or charges under paragraph (1) of this section for the transportation, storage, or handling of property or the transportation of persons free or at reduced rates for the United States Government, or any agency or department thereof, including quotations or tenders for retroactive application whether negotiated or renegotiated after the services have been performed, shall be in writing or confirmed in writing and a copy or copies thereof shall be submitted to the Commission by the carrier or carriers offering such tenders or quotations in the manner specified by the Commission and only upon the submittal of such a quotation or tender made pursuant to an agreement approved by the Commission under section 5a of this Act shall the provisions of paragraph (9) of said section 5a apply, but said provisions shall continue to apply as to any agreement so approved by the Commission under which any such quotation or tender (a) was made prior to the effective date of this paragraph or (b) is hereafter made and for security reasons, as hereinafter provided, is not submitted to the Commission: *Provided*, That nothing in this paragraph shall affect any liability or cause of action which may have accrued prior to the date on which this paragraph takes effect. Submittal of such quotations or tenders to the Commission shall be made concurrently with submittal to the United States Government, or any agency or department thereof, for whose account the quotations or tenders are offered or for whom the proposed services are to be rendered. Such quotations or tenders shall be preserved by the Commission for public inspection. The provisions of this paragraph requiring submissions to the Commission shall not apply to any quotation or tender which, as indicated by the United States Government, or any agency or department thereof, to any carrier or carriers, involves information the disclosure of which would endanger the national security."

And the House agree to the same.

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W. A. PURTELL,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 939) to amend section 22 of the Interstate Commerce Act, as amended, submit the following statement

in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Section 22 of the Interstate Commerce Act contains various provisions specifying the cases in which carriers may transport, store, or handle property, or transport persons, service free or at reduced rates. While the section is contained in part I of the act, which applies to carriers by railroad, it applies also to common carriers by motor vehicle, common carriers by water, and (as to transportation of property) to freight forwarders.

This legislation deals only with the rendering of such services free or at reduced rates for the Government of the United States.

Two substantially identical bills, S. 939 and H. R. 3233, were introduced in this session of the Congress to carry out a recommendation of the Interstate Commerce Commission. The principal purpose of these bills was to amend section 22 of the Interstate Commerce Act so as to limit the granting of free or reduced rates to the United States, or to State or municipal governments, to any time of war or national emergency, as declared by Congress or the President.

S. 939 was reported to the Senate and H. R. 3233 was reported to the House. As reported, S. 939 was amended so that no change would have been made in section 22 except to add thereto a new paragraph, set forth below. H. R. 3233 was reported with an amendment striking out all after the enacting clause and inserting a substitute which is explained below. S. 939 passed the Senate on June 12, 1957.

The bill as passed by the Senate made no change in section 22 except to designate the present provisions of section 22 as paragraph (1) and add a new paragraph, as follows:

"(2) All quotations or tenders under paragraph (1) of this section for the transportation, storage, or handling of property or the transportation of persons free or at reduced rates for the United States Government, or any agency or department thereof including quotations for retroactive application whether negotiated or renegotiated after the services have been performed, shall be in writing or confirmed in writing and a copy or copies thereof shall be submitted to the Commission by the carrier or carriers offering such tenders or quotations in the manner specified by the Commission. Submittal of such quotations or tenders to the Commission shall be made concurrently with submittal to the United States Government, or any agency or department thereof, for whose account the quotations or tenders are offered or for whom the proposed services are to be rendered. Such quotations or tenders shall be preserved by the Commission for public inspection. The provisions of this paragraph shall not apply to any quotation or tender which, as indicated by the United States Government, or any agency or department thereof, to any carrier or carriers, involves information the disclosure of which would endanger the national security."

The House struck out all after the enacting clause of the Senate bill and inserted a substitute text.

The House substitute was the same as the Senate bill except as follows:

(1) It inserted a provision (par. (b) of the house substitute) amending section 22 of the Interstate Commerce Act so as to provide that the section would no longer apply in the case of the carriage, storage, or handling for the United States Government of "household goods" as defined by the Interstate Commerce Commission in Practices of Motor Common Carriers of Household Goods (17 M. C. C. 467) by duly authorized motor common carriers of household goods. This provision of the House amendment is omitted from the substitute agreed to by the conferees. The Senate conferees were not willing to include this provision in the conference agreement. Their feeling is that be-

fore any change is made in the present provisions of section 22 a broad inquiry should be made into the basic questions involved in the performance of transportation services for the Government at rates less than regular published rates.

(2) It modified the proposed new paragraph (2) of section 22 of the Interstate Commerce Act, as passed by the Senate, by inserting at the end of the first sentence of such paragraph the following language: "and only upon the submittal of such a quotation or tender made pursuant to an agreement approved by the Commission under section 5a of this Act shall the provisions of paragraph (9) of said section 5a apply, but said provisions shall continue to apply as to any agreement so approved by the Commission under which any such quotation or tender (a) was made prior to the effective date of this paragraph or (b) is hereafter made and for security reasons, as hereinafter provided, is not submitted to the Commission: *Provided*, That nothing in this paragraph shall affect any liability or cause of action which may have accrued prior to the date on which this paragraph takes effect."

The proposed new paragraph (2) as modified by the House substitute is contained in the substitute agreed to in conference.

The above-quoted language which the House added to the proposed new paragraph (2) of section 22 is intended to clarify a matter which developed after the House Committee on Interstate and Foreign Commerce had reported a bill on this subject (H. R. 3233) to the House on July 1. On July 5 Judge Joseph C. McGarraghy, of the United States District Court for the District of Columbia, rendered a memorandum opinion in the case of *Aircouch Transport Association, Inc., et al. v. Atchison, Topeka, and Santa Fe Railway Co., et al.*, holding that section 5a of the Interstate Commerce Act (commonly known as the Reed-Bulwinkle amendment) does not apply with respect to carrier agreements relating to rates established under section 22 for transportation services to the Government of the United States. This decision was most unexpected, as it had been assumed by the carriers since the enactment of the Reed-Bulwinkle amendment in 1948 that it applied to section 22 rates in the same manner that it applies to other rates. Furthermore, it is the opinion of those Members of the House who were serving on the House Committee on Interstate and Foreign Commerce at the time the Reed-Bulwinkle amendment was passed that the intention of Congress at the time was in accord with the view taken by the rail carriers.

Briefly, the Reed-Bulwinkle amendment provides that any carrier which is a party to an agreement between two or more carriers, which relates to "rates, fares, classifications, divisions, allowances, or charges . . . or rules and regulations pertaining thereto, or procedures for the joint consideration, initiation or establishment thereof" may apply to the Commission for approval of the agreement. The Commission must approve the agreement if it finds that by reason of furtherance of the national transportation policy declared in the Interstate Act the carriers involved should be relieved from the operation of the antitrust laws with respect to the making and carrying out of the agreement. Paragraph (9) of the Reed-Bulwinkle amendment provides that the carriers shall be so relieved from the operation of the antitrust laws upon Commission approval of the agreement.

After the House committee reported the bill and before it could be acted upon by the House, the Department of Defense approached the House committee urging that it accept as a floor amendment to the bill language intended to carry out the purpose expressed in the amendment which the House made to the new paragraph (2), described above. In urging this amendment the Department of Defense stated that the effect

of the above decision would be that unless the Reed-Bulwinkle amendment is clearly applicable to section 22 rates a chaotic situation may well exist with respect to the rendering of transportation services to the United States Government under reduced rates as authorized by section 22. The Department represented that if the carriers are restrained from acting in concert in any manner in the establishment of section 22 rates, either (1) the carriers would refrain in the future from making section 22 quotations to the Department and thus in effect repeal section 22, with a consequent increased cost to the military of over \$100 million annually, or (2) individual carriers might continue to make individual quotations but under circumstances under which cutthroat competition would be inevitable.

Therefore, the language which the House added to the proposed paragraph (2) of section 22 was intended to make it clear that the Reed-Bulwinkle amendment applies in the case of section 22 rates.

However, it is the understanding of the conference, in accepting the language which the House added to S. 939 as to the applicability of the Reed-Bulwinkle amendment to section 22 rates, that nothing therein adopted and agreed to herein would vitiate or in any way affect the order of the court in the Air Coach case or similar litigation now pending. It is the intention of your conferees that no liability or cause of action previously accrued will be affected by this bill. The Chairman of the House Committee on Interstate and Foreign Commerce, who was in charge of the bill during its consideration in the House, gave his assurance to this effect, and it is the purpose of your conferees to emphasize this understanding. The following amendment which was adopted by the House and agreed to by the conferees of the Senate makes this clear beyond doubt: "*Provided*, That nothing in this paragraph shall affect any liability or cause of action which may have accrued prior to the date on which this paragraph takes effect."

It has been called to our attention that under existing law there may be some discrimination against air carriers in their ability to bid for Government traffic. Although air carriers may (under secs. 412 and 414 of the Civil Aeronautics Act of 1938) enter into agreements and be granted antitrust law relief in connection therewith, no specific authority is contained in that act to permit air carriers to render services to the United States Government free or at reduced rates. Section 416 (b) of that act, however, presently authorizes the Civil Aeronautics Board, under certain conditions, to exempt any air carrier from any provision of the act, and under this section the Civil Aeronautics Board has exempted certain air carriers from the normal regulations applicable to the movement of traffic at published tariffs where such carriers have had, and were operating under, contracts with the military departments. While that provision may now contain sufficient authority with respect to the rendering of transportation services by air carriers to the Government at reduced rates, the question whether the Civil Aeronautics Act of 1938 should be amended to provide language comparable to that of section 22 is a matter which would be proper for consideration by the respective legislative committees of both Houses, along with the various proposals which have been made for modification of existing law in relation to the rendering of transportation services to the Government at reduced rates.

OREN HARRIS,
KENNETH ROBERTS,
WALTER ROGERS,
SAMUEL FRIEDEL,
CHAS. A. WOLVERTON,
JOSEPH P. O'HARA,
ROBERT HALE,

Managers on the Part of the House.

Aug. 19, 1957

12. FOREIGN AID. Sen. Smith, N.J., inserted four editorials criticizing the House cuts in the mutual security appropriation bill. pp. 1781-2
13. DISASTER-RELIEF APPROPRIATIONS. Sen. Cooper urged support for the committee amendment to H.R. 9131, to provide \$25 million to meet the emergency conservation needs of rural areas struck by natural disasters. p. 13788
14. ADMINISTRATIVE LAW. Sen. Clark proposed a substitute for S. 2377, to provide for the production of statements and reports by witnesses, which would require the Government to bring forward statements of prospective witnesses before they were to testify, and grant the trial court authority to determine its actions if such were not done. pp. 13788-9
15. TRANSPORTATION. Sen. Sparkman inserted an Ala. Legislature resolution urging the repeal of the excise taxes on transportation. p. 13760
16. GOVERNMENT COMPETITION. The Select Small Business Committee submitted a report, "Government Competition With Private Business" (S. Rept. 1015). pp. 13760-1
17. LEGISLATIVE PROGRAM. Sen. Mansfield announced there would be a call of the calendar for the passage of unobjected-to bills today, Aug. 20.. pp. 13784, 13792

HOUSE

18. WHEAT. Agreed to the conference report on S. 959, to exempt certain wheat producers from liability where all the wheat crop is fed or used for seed or food on the farm where produced. pp. 13908-09
19. MEATPACKERS. Reps. Mack and Hagen expressed gratification that consideration of H.R. 9020, to transfer certain work under the Packers and Stockyards Act to FTC, had been postponed, and expressed the hope that the measure would not be considered until next year. pp. 13900-03
20. TRANSPORTATION. Agreed to the conference report on S. 939, relative to rendering transportation services to the Government at free or reduced rates. The bill as agreed to amends Sec. 22 (providing for Government transportation services at free or reduced rates) of the Interstate Commerce Act so as to provide that Sec. 22 quotations issued by carriers must be filed immediately with the ICC in order that they can be made available to the general public, and also includes a provision making Sec. 5a of the ICC Act, which authorizes immunity from the antitrust laws of carriers under certain conditions, applicable to all Sec. 22 quotations made to the Federal Government. pp. 13903-06
Passed, under suspension of the rules, H.R. 5384, to amend the Interstate Commerce Act so as to provide for the preservation of competitive through routes for rail carriers. pp. 13882-83
21. ATOMIC ENERGY. Conferees were appointed on H.R. 8996, authorizing appropriations for AEC to acquire or construct power reactor facilities. (p. 13842) Senate conferees were appointed Aug. 16.
Concurred in the Senate amendment to H.R. 7383, to provide Governmental indemnity and limitations on private liability for atomic energy hazards of certain licensees (p. 13842). This bill will now be sent to the President.
22. WATER RESOURCES. Conferees were appointed on S. 1482, to amend the Columbia Basin Project Act so as to increase the limitation on the acreage which one family might have of irrigated land (p. 13843). Senate conferees were appointed Aug. 15.

23. RECLAMATION. Passed as reported H.R. 6940, to authorize the Secretary of the Interior to reimburse owners of lands acquired for developments under his jurisdiction for their moving expenses. p. 13846
24. CONSERVATION. Passed over, at the request of Rep. Byrnes, Wisc., S.J.Res. 35, to provide for the observance and commemoration of the 50th anniversary of the first conference of State governors for the protection of the natural resources of the U. S.. p. 13853
25. FORESTRY. Passed as reported H.R. 580, to authorize the exchange of certain land under the jurisdiction of the Forest Service with Mo.. p. 13853
26. WATER UTILIZATION. Passed with amendment H.R. 8465, to grant consent to the Klamath River Basin compact between Calif. and Ore.. pp. 13869-73
27. WATERSHEDS. Rejected, 45 to 80, a motion by Rep. Cooley to consider under suspension of the rules H.R. 5497, to subject recreational and fish and wildlife development projects to certain conditions in order to receive Federal assistance under the Watershed Protection and Flood Prevention Act. pp. 13888-92
28. COTTON. Passed without amendment H.R. 6765, to repeal the prohibitions against cotton acreage reports based on farmers' planting intentions. p. 13853
29. PERSONNEL. Passed as reported H.R. 4640, to amend the Civil Service Retirement Act to permit persons transferring to non-Act positions to retain voluntary contribution accounts. p. 13854
30. APPOINTMENTS. Rep. Halleck commended the appointment of Dr. Harry J. Reed, recently retired dean and director of the Purdue Univ. School of Agriculture, as the USDA coordinator of the rural development program. p. 13909
31. CENSUS. Passed without amendment S. 1631, to amend various sections of the U.S. Code entitled "Census" (pp. 13860-61). This bill will now be sent to the President. A similar bill, H.R. 7911, was tabled.
32. WATER POLLUTION. Passed over, at the request of Rep. Byrnes, Wisc., H.R. 6701, granting the consent and approval of Congress to the Tenn. River Basin Water Pollution Control Compact. pp. 13861-62
33. VOCATIONAL REHABILITATION. Passed as reported H.R. 8429, to amend the Vocational Rehabilitation Act so as to extend the time in which grants may be made to the States for vocational rehabilitation program expansion. p. 13862
34. INFORMATION. Passed without amendment H.J.Res. 313, designating the week of Nov. 22 to 28, 1957, as National Farm-City Week (p. 13906. This measure was reported without amendment earlier by the Judiciary Committee (H. Rept. 1194) (p. 13916).
35. MILK PRICES. Rep. Christopher objected to the necessity for holding hearings before the price of milk in the Md.-Va. area could be increased, pointing out that such hearings were not required before the prices of steel and gasoline were increased. p. 13842

STATEMENT OF WILLIAM A. QUINLAN, GENERAL COUNSEL, UNITED STATES WHOLESALE GROCERS' ASSOCIATION, INC., REGARDING BILLS TO AMEND THE PACKERS AND STOCKYARDS ACT, 1921, AS AMENDED, AND THE FEDERAL TRADE COMMISSION ACT, JULY 31, 1957

My name is William A. Quinlan, and I appear here as general counsel of the United States Wholesale Grocers' Association, Inc., a national trade organization of wholesale food and grocery distributors, with headquarters in Washington, D. C.

We are here in opposition to the mimeographed bill which the committee released on July 29 with an invitation to interested persons to testify today concerning that bill, including the changes proposed by your subcommittee today.

We respectfully submit that this is a bad bill both in general principle and in its details.

The most fundamental objection is that it violates the basic principle of practical fairness and legal due process that any given business activity, regardless of what persons engage in it, should be subject to the same rules of fair play and enforcement agency as to all such persons.

In our appearance before you on July 10, with Harold O. Smith, Jr., our executive vice president, as our principal witness, we said that the basic fallacy in the present statute is that of determining the rules to be applied, and the agency to apply them, according to persons rather than functions.

The Department of Agriculture and others who would perpetuate that fallacy, we said, want one class of persons (consisting of those who may have an interest to one degree or another in meat packing or live poultry dealing) to be subject to one set of rules and enforcement agency, and other persons to be subject to another set of rules and agency. Thus, the two classes of persons are to be subject to different rules and agencies even when they are doing the same things, in competition with each other. Thus, there is to be a specially privileged class of persons—those who are classified as meat packers or live poultry dealers according to the definitions in the Packers and Stockyards Act—which may go about as it pleases, into various forms of industry or enterprise, without complying with the requirements of fair dealing with which all others in that industry or enterprise must comply.

Under the present statutory provisions, that is so as to almost all kinds of industries and enterprises. Once a business firm becomes a packer (by acquiring 20 percent or more of a packing plant) or a live poultry dealer or handler (by engaging in the business of buying or selling live poultry in [interstate] commerce for purpose of slaughter), or a stockyard owner or dealer, it is then free to go into any kind of business activity, other than banking or for-hire transportation,¹ without being subject to jurisdiction of the Federal Trade Commission as are others engaged in that activity.

The new bill on which the committee has invited comments would preserve that basic fallacy and inequity, although reducing the scope of its practical application.

Under the bill, once a firm becomes a packer or a live poultry dealer or handler as defined, it would then be free to go—not, as now, into every kind of business activity other than banking or for-hire transportation—but into wholesaling of “* * * meats, meat food products, live-

stock products, * * * or poultry products,” without being subject to jurisdiction of the Federal Trade Commission as are others engaged in such wholesaling businesses.

From a practical standpoint, wholesale grocers, for example, who are subject to the jurisdiction of the Federal Trade Commission and to the provisions of the Federal Trade Commission Act and the Clayton Act as amended by the Robinson-Patman Act in their wholesaling of “* * * meats, meat food products, livestock products, * * * or poultry products,” still would be confronted in such wholesaling with competition from firms which are technically packers or live poultry dealers or handlers and therefore not subject to the same agency or statutes.

The bill thus is as bad in principle as the present statute. It merely limits the practical area of inequity to wholesaling of “* * * meats, meat food products, livestock products, * * * or poultry products.”

Those terms encompass thousands of food and grocery products. The area of inequity still would be great.

The amendment which the bill would make to subsection 5 (a) (6) of the Federal Trade Commission Act points up again the basic error of attempting to apply certain regulations to certain persons, regardless of what they do, instead of applying certain regulations to what is done, regardless of who does it.

That subsection now exempts from FTC jurisdiction persons who are engaged in banking or for-hire transportation or who are subject to the Packers and Stockyards Act. The bill would amend that subsection so that it would exempt, not persons who are subject to the latter act, but matters which are subject to the latter act. The trouble then, however, is that in looking back to section 202 of the latter act as it would be amended by the bill, we find that its applicability is not entirely on a basis of matters, but instead still partly on a basis of persons. That is to say, section 202, purporting to regulate trade practices, does not apply to all wholesaling of meats, etc. Instead, it applies only to wholesaling of meats, etc., by persons who are technically classified as packers or live poultry dealers or handlers.

That inconsistency within the bill is one which would offer new opportunities for evasion of unfair trade practice regulation. A person who is not technically a packer or live poultry dealer or handler and who is engaged in wholesaling of meats, etc., could contend that he is under jurisdiction of neither the Secretary of Agriculture nor the Commission. Clearly, by definition, he is not under the former, because not within those classes of persons defined as packers or live poultry dealers or handlers. And, he would contend, under the wording of the bill, he is not under the Commission because he is engaged in matters, i. e., wholesaling of meats, etc., which have been made subject to the Packers and Stockyards Act. I do not think the courts would finally agree with that contention, but the provisions of the bill could be a source of confusion and litigation.

The same provisions would present another occasion for confusion and litigation in respect to the term “matters” as used in the amendment to subsection 5 (a) (6) of the Federal Trade Commission Act. That is to say, as the matters exempted from Commission jurisdiction all wholesale sales of meats, etc.—or are they only the practices—enumerated in section 202 of the Packers and Stockyards Act, when engaged in, in the course of such wholesaling? If the latter, it would be many years, if ever, before a delineation could be drawn between those practices and other practices, if any, remaining subject to Commission jurisdiction.

Regarding the provision of the bill for determinations by the Secretary of Agriculture in particular cases that it is in the public

interest for the Federal Trade Commission to institute a proceeding, etc., we respectfully submit, as in our previous testimony, that it is Congress which should determine that in all cases it is in the public interest for the Commission to proceed against law violators who are packers or poultry dealers, as well as other law violators, in any given field of activity, and to do so under the same laws.

The treatment of so-called country buying of livestock or other aspects of title III of the Packers and Stockyards Act, which title regulates stockyards, are not matters of concern to wholesale grocers. We are concerned with title II of that act, which results in special and favored treatment of packers and poultry dealers as to their trade practices in all kinds of businesses—and which title we believe should be repealed—and subsection 406 (b) of that Act and subsection 5 (a) (6) of the Federal Trade Commission Act, which provide escape clauses for packers and poultry dealers from the laws, or at least from the enforcement agency, to which their competitors are subject.

We have no desire to try to impose on the time of the Committee, or to become distracted, with more detailed criticisms of the bill and its ambiguities. No doubt there are even more defects of detail than meet the eye in the time that has been available for study of it. We do say that the defects which are immediately obvious and basic compel rejection of this bill.

We respectfully urge, Mr. Chairman, that you do reject this bill, and instead favorably report the bill H. R. 8536, which also is before you and which would make a full and clean-cut correction of the present legislative loophole in Federal regulation of unfair trade practices.

The foregoing references indicate that there is something wrong with regulation of important aspects of the meat-packing industry by the Department of Agriculture. The actions announced in item 1 are the first enforcement steps taken by the United States Department of Agriculture in this field in 19 years. The decisions by the Federal Trade Commission examiner reported indicate that wise businessmen, who desire no monopoly and unfair trade practices regulation, see the same privileges enjoyed by the traditional meatpackers. This is the best possible argument for subjecting the meatpacking industry to full regulation by the Federal Trade Commission.

Cited items 3 and 4 clearly indicate wherein H. R. 9020 is confused and confusing legislation. It should be remembered that this is legislation which will be immediately subjected to court interpretation and I would defy any lawyer to describe its complete import.

I hope and trust that during the next session of Congress we can secure legislation, from an appropriate committee, which will subject meatpackers to the same kind and degree of antimonopoly and antiunfair trade practice jurisdiction that applies to all other businesses including all other food-processing industries.

AMENDING SECTION 22 OF THE INTERSTATE COMMERCE ACT

Mr. HARRIS. Mr. Speaker, I call up the conference report on the bill (S. 939) to amend section 22 of the Interstate Commerce Act, as amended, and ask unanimous consent that the statement

¹ See subsection 5 (a) (6), Federal Trade Commission Act.

² The bill, in section 202 of the act, as amended, refers also to “livestock” and “poultry,” but sellers of livestock and poultry, with certain limitations, are subject to titles III and V of the act, and therefore exempt from Federal Trade Commission jurisdiction regardless of the provisions of the bill.

of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the statement.

(For conference report and statement see proceedings of the House of August 14, 1957.)

Mr. HARRIS. Mr. Speaker, I yield myself 15 minutes.

Mr. Speaker, this conference report, on S. 939, is unanimously agreed to by the conferees and recommended to the House. This action was taken after a full and thorough consideration and deliberation.

I think it would be helpful to again recall some of the history and background information of this problem.

This bill proposes to amend section 22 of the Interstate Commerce Act and deals only with that part of the section which provides for free or reduced rates by common carriers for the Government.

The bill was originally introduced in the House and Senate at the recommendation of the Interstate Commerce Commission. It would have repealed this provision of section 22 granting of free or reduced rates except in time of war or national emergency.

S. 939 and H. R. 3233 as originally introduced were identical bills.

S. 939 was reported after it was amended by the Senate committee to provide that no change would have been made in section 22 except adding a new paragraph requiring the submission of tariffs at free or reduced rates to the Government to the Commission for public inspection. The amended bill passed the Senate on June 12, 1957.

The House bill was reported by our committee with an amendment which was in the nature of a substitute bill.

The substitute contained the same language as the bill reported by the Senate requiring publication of such rates but in addition, it would have provided that the section would no longer be applicable to the movement of household goods. The bill, as so amended, was reported by our Committee on Interstate and Foreign Commerce on July 1, 1957. A few days later, on July 5, 1957, Judge McGarraghy, of the District Court for the District of Columbia, rendered a memorandum opinion in the case of Air Coach Transport Association, Inc., et al., against Atchison, Topeka & Santa Fe Railroad Company et al., holding that section 5a of the Interstate Commerce Act does not apply with respect to carrier agreements relating to rates established under section 22. This was a most unexpected and far-reaching decision. It immediately created a most difficult situation with Government shipment and passenger fares. Its effect was immediate.

As a result of this action and at the urgency of the Department of Defense, a committee amendment was proposed in the House and adopted to clarify the situation and to make it perfectly clear that section 5a commonly known as the

Reed-Bulwinkle amendment is applicable to section 22 rates.

The conferees after a great deal of discussion struck out the section in the House bill with reference to the movement of household goods. The Department of Defense was quite insistent that the present situation on such movement not be changed. It was contended that this action would mean between twelve and thirteen million dollars a year on the Government's freight bill.

The conferees also approved the amendment of the Senate providing for the submission of reduced rates to the Government for publicity and the amendment which the House adopted to clear up the problem resulting from the district court's memorandum opinion on July 5.

As it was in the House when this matter was considered, grave apprehension had been instilled in the minds of Members of the other body. The propaganda struck hard and definite, and I might say somewhat effective.

But with the conferees as it was here in the House, when the facts were determined and the situation clarified, the need for clearing up the unfortunate situation was no longer questioned. It is a simple matter of wading through the propaganda and determining the interest of the Government.

With adequate and assured protection that this would in no way affect any liability or cause of action already accrued or do an injustice to anyone, but providing that the Government who is the largest single shipper may continue to obtain the benefits from section 22 rates, saving the taxpayers millions of dollars, the conferees approve this language and recommend its adoption.

Now for clarification, the Senate conferees wanted language to emphasize that the amendment would not affect the pending litigation. The language in the report on this point must be taken in the full context. Some question may be raised to the use of the phrase "order of the court," but to make it perfectly clear this explanation should be made.

The House amendment included language intended to clarify a legal situation which had arisen in the courts, regarding the question of the applicability to section 22 rates of the provisions of the so-called Reed-Bulwinkle amendment, which is section 5a of the Interstate Commerce Act. The conference agreement includes this House provision.

The language which the House added reaffirmed the original intention of Congress that section 5a was applicable in the case of section 22 rates as well as other rates. The language was to assure that such intention will be carried out for the future, but, at the same time, it was made clear that the language added by the House would not destroy past accrued rights, whatever they might be.

As a part of the language adopted it was provided that nothing in the paragraph being amended "shall affect any liability or cause of action which may have accrued prior to the date on which this paragraph takes effect." Therefore,

if the ultimate view of the courts in the litigation which is pending is that section 5a was not applicable to section 22 rates at the time the alleged causes of action in those cases arose, this provision would not take away from the courts the authority to award damages based on acts done prior to the enactment of this amendatory legislation. However, the court could not, in any such case, enjoin the taking of action after the enactment of this legislation to the extent that such action is made permissible by the provisions of this legislation.

Mr. Speaker, there have been a lot of erroneous claims about this problem. There have been charges and distortion of facts, the like of which I have not seen recently on such an important and far-reaching problem affecting the welfare of our own Government. We hear about lobbyists and propaganda, injustices, countercharges, and all kinds of implications. I wonder myself just what is behind it and just who is to be benefitted and just what special interest would reap a windfall at the expense of the American people.

I yield to no one in my firm belief in the freedom of the press and the right to free and unhampered public opinion and expression.

Because of the public interest, the interest of the taxpayers of the country and the stake in which our own Government is involved on this issue, I am constrained, Mr. Speaker, to refer to the unfounded charge in the Washington Merry-Go-Round carried in the Washington Post and Times Herald on Sunday, August 11, 1957.

My old friend, the impeccable, redoubtable, and impetuous Drew Pearson, the eminent and renowned columnist, who I am sure has always good intentions, honest and sincere but who seldom ever gets his facts correct made some rather serious charges.

He said that after a majority of our committee had gone that I, as chairman, used questionable methods in bringing about the adoption by the committee of an amendment to clear up the problem resulting from Judge McGarraghy's decision.

He said: "After they—committee members—had gone he—that is, I, the chairman—literally railroaded a special railroad bill through his committee."

He said that it legalized a conspiracy and would sidetrack a \$45 million triple damage suit which the small airlines had won against the railroads.

These charges, Mr. Speaker, are contrary to the facts and with no basis whatsoever.

Let me give you the facts which Mr. Pearson could have obtained only by calling by to see me or any member of the committee and I have invited him to come to see me to obtain the correct information on anything from our committee that may be of interest to him.

When the Interstate Commerce Act was passed in 1887, it included section 22, to provide for free or reduced rates on shipment of goods and passengers by common carriers. This has been a part of the Interstate Commerce Act since

that time. Through the years as common carrier has expanded, the progress and growth and the development of our country and Government, shipment became greater and greater, the question of establishing through or joint rates developed.

There developed a procedure and practice then with the Government which required carriers, both rail and motor carriers, to get together and establish for the Government such through or joint rates.

Such procedure was extended to commercial shipments. After a period of time, the Department of Justice brought antitrust proceedings against the railroads alleging that such concerted action was in violation of the antitrust laws.

This was in the early 1940's, during World War II. The transportation burden during the war became so great the antitrust suits were interfering with Government transportation and threatened tremendous increase in the Government's freight bill. As a result, the War Production Board, issued certificate No. 44, approving such joint action by common carrier, through rate bureaus, rate conferences, or similar organizations in the initiation and establishment of rates, fares, and charges and regulations and practices pertaining thereto on Government traffic for the duration of the war and 6 months thereafter.

After the war and the problem still before the country, the Congress passed the Reed-Bulwinkle Act providing section 5a to the Interstate Commerce Act, legalizing such procedure when approved by the Interstate Commerce Commission. This was in 1948, and everyone including the carriers, the Government, and those in the Congress thought that it also included section 22 quotations.

During these 10 years, the Government with our Defense Department as the biggest shipper in the country, has followed this procedure in obtaining the best possible and most equitable rates on behalf of Government shipments.

The agreements by the carriers, approved by the Interstate Commerce Commission, from which the Government has benefited by untold millions of dollars and are now in existence and the quotations therefrom have developed over a period of several years.

The district court, on July 5, unexpectedly issued a memorandum opinion that the immunity conferred by section 5a of the Interstate Commerce Act does not apply to concerted section 22 quotation made to the United States Government.

Now with these facts, let us see if I, as chairman of the committee, or the committee, took action considered as "special interest legislation."

Immediately after the decision on July 5, the Department of Defense sent Capt. C. R. Adams to see me with a 4-page statement outlining the effect of the district court's decision. It explained that the effect of the decision was immediate and that by wiping out the long-established procedure, it would result among other important ways of "an increase in the domestic transportation bill of the Government in excess of \$100 million, for the fiscal year 1958 alone."

Could this, Mr. Speaker, be special interest legislation?

The Department of Defense further said that "major increase in litigation involving Government traffic, which is insusceptible of estimation would result."

"The nullification of section 22," said the Department, "insofar as joint action by carriers is concerned, will destroy a flexible means of major importance in accomplishing the movement of Government traffic and eliminate an important means of protecting security in military operations."

With the statement the Department submitted language for the amendment to immediately correct the action and urged that the committee adopt it.

I presented this to the committee and with these facts it was adopted.

The charge, Mr. Speaker, that I waited until a majority of the committee had left is also erroneous. I leave that to the record in the committee and I can assure you that no action has been taken during my short term as chairman of the committee without a majority present.

I had already applied to the Rules Committee for a rule on the reported bill. I explained to the Rules Committee that this problem had just arisen and that an amendment would very likely be offered to the Bill on the Floor to correct it.

Then on July 29, I received a letter from the Assistant Secretary of Defense, officially confirming their endorsement of the amendment and presenting additional statement outlining the adverse effects on the Government if the amendment is not enacted into law.

Again, the department said: "It is essential that the present procedures for establishing section 22 rates be continued, therefore the clarifying amendment is offered."

During the deliberation by the Conferees, General Lasher, head of our Transportation Division, Department of Defense, was so impressive as to the effects of this situation, and the fact that if it were not cleared up it would cost the Government about \$105 million a year, that the conferees unanimously agreed to this report.

These are the facts, Mr. Speaker, on which this legislation is based, and if it can be considered "special-interest legislation," then the charge can be considered correct.

I ask in the interest of the Government and thus the public interest that this report be overwhelmingly approved.

Mr. HALE. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. HALE. I am very pleased that the gentleman is making these remarks. I was very indignant when I read the newspaper articles to which the gentleman has referred. The chairman of our committee has been conspicuously fair in his dealing with this legislation as he has been in dealing with all other legislation. There is not a scintilla of justification for any charge to the contrary. Many members of the committee are indignant that any such charge should have been made.

Mr. HARRIS. I thank my colleague for his statement.

Mr. Speaker, I yield to my colleague on the committee, the gentleman from Illinois [Mr. MACK] such time as he may desire.

Mr. MACK of Illinois. Mr. Speaker, as a member of the Committee on Interstate and Foreign Commerce, I would like to state that our chairman, the gentleman from Arkansas [Mr. HARRIS] has been extremely fair on all occasions when legislation has been considered by our committee. I know of no time since I have been serving on the committee that we have considered any legislation without a quorum.

(Mr. MACK of Illinois asked and was given permission to revise and extend his remarks.)

Mr. Speaker, I have differed with the gentleman from Arkansas [Mr. HARRIS] on many occasions and reserve the right to do so in the future. I do believe, however, that he has given me and every member of the Committee a fair opportunity to express opposing views, and I cannot recall any time when any member of the committee was treated unfairly by our chairman.

I consider the distinguished gentleman from Arkansas to be not only one of the ablest, but perhaps the fairest, chairmen of this great committee has had. It has been a pleasure and a privilege for me to serve under him and I hope that he continues to serve in this capacity for many years to come.

Mr. HARRIS. Mr. Speaker, I yield such time as he may require to a member of the committee, the gentleman from Alabama [Mr. ROBERTS].

Mr. ROBERTS. Mr. Speaker, I would like to concur in what the distinguished chairman of our committee had to say about this session and all the other sessions at which legislation of this committee has been considered. It certainly needs no affirmation on my part, or on the part of anyone else, to the effect that the gentleman always conducts our meetings in strict parliamentary form according to the rules of the House. I certainly wish to advise the House that in my opinion this is certainly not special interest legislation. I attended most of the meetings of the subcommittee at which it was considered and was a member of the conference committee with the Senate. In my opinion this legislation is in the public interest, and I hope it will have the support of the House.

(Mr. ROBERTS asked and was given permission to revise and extend his remarks.)

Mr. HARRIS. Mr. Speaker, may I say I wish to thank my colleagues for their comments regarding this matter.

(Mr. HARRIS asked and was given permission to revise and extend his remarks.)

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that all Members may have leave to extend their remarks on this conference report.

The SPEAKER pro tempore (Mr. THOMAS of Texas). Is there objection?

There was no objection.

Mr. HARRIS. Mr. Speaker, I move the previous question.

The previous question was ordered.
The SPEAKER pro tempore. The question is on the conference report.
The conference report was agreed to.
A motion to reconsider was laid on the table.

NATIONAL FARM-CITY WEEK

Mr. COOLEY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution (H. J. Res. 313) designating the week of November 22-28, 1957, as National Farm-City Week.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina [Mr. COOLEY]?
There was no objection.

The Clerk read the resolution, as follows:

Resolved, etc., That the week of November 22-28, 1957, be designated as National Farm-City Week, in recognition of the contribution American farm families have made to our civilization and in order to promote better public understanding of the needs, problems, and opportunities of our country's agriculture and farm people, and to honor men and women who have contributed to agricultural achievements and progress.

To this end the President is authorized and requested to issue a proclamation calling upon the Department of Agriculture, the land-grant colleges, the Agricultural Extension Service and all other appropriate agencies and officials of the Government, to cooperate with National, State, and local farm organizations and other groups in the several States and counties in preparing and carrying out programs for the appropriate observation of National Farm-City Week, including plans for public meetings, discussions, exhibits, pageants, and press, radio, and television features with a special emphasis on notable achievements by rural groups and individuals, local, State, and National, and on the all-around enrichment of American country living through adequate cultural, spiritual, educational, recreational, and health facilities for both rural youth and rural adults.

(Mr. COOLEY asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Speaker, National Farm-City Week is now in its third year. Already it is an accepted national institution. Its success in such a brief period of time has been nothing short of phenomenal.

Congressional support of Farm-City Week has set a pattern of national stature without which the event would have suffered materially.

Last year this body approved unanimously a joint resolution giving Farm-City Week congressional sanction. The Senate did likewise—also unanimously.

This year's proposed joint resolution—House Joint Resolution 313—is exactly the same as the one passed last year and the year before, except that the date has been changed.

Farm-City Week this year is slated to be held during the period from Friday, November 21, through Thursday, November 28—Thanksgiving Day—1957.

It should be noted also that both in 1955 and 1956, the President issued a Farm-City Week proclamation. I hope he will again issue such a proclamation this year.

Farm-City Week is in the American tradition in that it seeks progress under a voluntary partnership that cuts across all boundaries, be they geographical, vocational, spiritual, social, economic, political, or organizational. Progress in the field of understanding and appreciation between farm and city groups is self-evident. Farm-City Week fosters understanding and good will between the urban and rural segments of our society. It serves as a focal point around which all can rally in seeking a common objective. This objective is a fuller, more satisfying and enlightened way of life. Through an exchange of information, it seeks to bridge the gap between town and country.

The destination of all groups—indeed, the destination of the Nation itself—is to an amazing degree geared to the level of understanding between groups. The welfare of one depends upon the welfare of the other. Wise and just public decisions are only possible when there is a clear understanding of the groups and issues involved.

Now that our Nation is more mature, more densely populated and more industrialized, it faces some of the problems of older civilizations. Understanding our fellow man—his problems, his way of life, how he makes his living, his working conditions, his standard of living—in this complex age is much more difficult than it formerly was. Yet, there is no room for name-calling in this generation.

A national committee for Farm-City Week has been formed to implement the event. This committee is made up of well over 100 national leaders, representing all types of companies, organizations, trade associations, and so forth. It is charged with the general overall operation. From this committee, a board of directors and officers are elected.

Regional and State chairmen add impetus and direction to the event. Local and county committees do likewise.

Kiwanis International, on a voluntary basis, acts as a coordinating agency for the entire movement. In 1956 hundreds of our institutions—tens of thousands of the Nation's leaders, and millions of people actively participated in this event. One tabulation places participation in the event as being positive and active in over 5,000 United States communities. The movement has even spread into Canada. In 1956 it was awarded the coveted Freedoms Foundation Distinguished Service Award. In short, Farm-City Week has permeated every walk of United States life. It has captured the imagination of the communication world—including newspapers, magazines, radio stations and TV services. In one State alone—the State of Illinois—332 organized groups participated in the 1956 event.

Finally, this is a thoroughly worthwhile national endeavor in the interest of a better America.

The SPEAKER pro tempore. The question is on the resolution.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

CONVEYING CERTAIN LANDS IN THE STATE OF NEVADA TO THE COLORADO RIVER COMMISSION

Mr. ENGLE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill S. 1568 to direct the Secretary of the Interior to convey certain public lands in the State of Nevada to the Colorado River Commission of Nevada acting for the State of Nevada.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior shall issue to the Colorado River Commission of Nevada acting for and in behalf of the State of Nevada, upon the payment by the State of Nevada into the Treasury of the United States, not more than 5 years after the Secretary has notified the State of the purchase price, of an amount equal to the fair market value as of the date of approval of this act of the lands to be conveyed as determined by the Secretary upon the appraisal of those lands, a patent or patents to the following described lands, situated in the State of Nevada and comprising approximately one hundred twenty-six thousand seven hundred and seventy-five acres;

(1) All of south half, township 23 south, range 63 east, with the exception of the following areas: east half section 22; four 5-acre tracts located in section 26 and described as follows: South half southeast quarter northwest quarter northwest quarter, north half northeast quarter southwest quarter northwest quarter, north half southwest quarter northeast quarter northwest quarter and south half southwest quarter northwest quarter northwest quarter; and those portions of the northeast quarter section 23, and north half section 24, within the Lake Mead National Recreation area.

(2) Fractional sections 25 and 36, township 23 south, range 63½ east.

(3) All of sections 27, 28, 29, 30, 31, 32, 33, and 34, township 23 south, range 64 east.

(4) Fractional sections 31, 32, 33, 34, and 35, township 23½ south, range 64 east.

(5) All of southeast quarter of township 24 south, range 62 east.

(6) All of township 24 south, range 63 east.

(7) All of township 24 south, range 64 east, except sections 1, 12, 13, 24, 25, and 36.

(8) All of township 25 south, range 62 east.

(9) All of township 25 south, range 63 east.

(10) All of sections 1, 2, 3, 4, 5, and 6, township 25 south, range 64 east.

(11) All of sections 1, 2, 11, 12, 13, and 14, township 26 south, range 62 east.

(12) All of northwest quarter, township 26 south, range 63 east.

All range references contained in the foregoing refer to the Mountain Diablo base and meridian.

SEC. 2. The Colorado River Commission of Nevada, acting on behalf of the State of Nevada, is hereby given the option, which may be exercised at any time during the 5-year period provided in the first section of this act, of having patented to it a portion of the described area upon payment of the appraised value thereof: *Provided*, That no such purchase shall be for less than 10,000 acres.

SEC. 3. The conveyance or conveyances authorized by this act shall be made subject to any existing valid rights pertaining to the lands described in the first section of this act, and to any reservations necessary

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13. COTTON; DISASTER RELIEF. The Agriculture and Forestry Committee reported without amendment the following bills:
S. 314, to assist the U.S. cotton textile industry through the disposition to them of surplus cotton (S. Rept. 1056); and
S. 304, to require States to contribute from 25% to 50% of the cost of feed or seed furnished to farmers in disaster areas (S. Rept. 1055). p. 13920
14. WOOL. The Finance Committee reported with amendments H.R. 6894, to amend the Tariff Act with regard to mica, including a provision for the duty-free entry of certain wool yarn, which was added by the Senate Committee (S. Rept. 1053). p. 13920
15. PUBLIC LANDS. Passed without amendment H.R. 2237, to authorize the transfer of certain VA property to the Johnson City (Tenn.) National Farm Loan Ass'n and the East Tenn. Production Credit Ass'n. p. 13952
Passed as reported H.R. 5538, to provide that withdrawals, reservations, or restrictions of more than 5,000 acres of public lands of the U.S. for certain purposes shall not become effective until approved by an act of Congress. pp. 13955-6
16. RECLAMATION. Passed without amendment S. 2037, to authorize performance of necessary protection work between the Yuma Project and Boulder Dam. p. 13958
17. ATOMIC ENERGY. Agreed to the conference report on H.R. 8996, AEC authorization bill for construction of certain power reactors. pp. 13968-9, 13972-4
18. FARM PROGRAM. Sen. Young inserted and commended a U.S. News article, "Five Billions For Farm Aid--Where Does It All Go?", summarizing the Department's 1956 budget and program, and inserted a Time magazine article, "The \$5 Billion Farm Scandal--Every Day in Every Way It Gets Worse," which he criticized as "one of the most unfair articles I have ever read." pp. 13924-6
Sen. Aiken inserted various recommendations of the Conference on Economic Progress, urging a reduction in the number of farmers and what Sen. Aiken called "virtually a recommendation of the rural development program which is being promoted by President Eisenhower." pp. 13926-7
19. PERSONNEL. At the request of Sen. Talmadge, passed over S. 25, to make wage-board pay raises retroactive to 30 days after initiation of the survey, and S. 734, to revise the basic compensation schedules of the Classification Act of 1949; and at the request of Sen. Purtell passed over H.R. 2462, to adjust the basic rates of compensation of certain officers and employees. pp. 13947, 13948, 13951
At the request of Sen. Purtell, passed over S. 2127, to reduce Federal Employees' Group Life Insurance only 1% a month after 65 to a minimum of 50% of the face value (rather than 2% and 25%). p. 13948
At the request of Sen. Purtell, passed over S. 72, to increase annuities payable to certain annuitants from the Civil Service retirement fund. p. 13948
20. DAIRY PRODUCTS. At the request of Sen. Talmadge, passed over H.R. 38, to provide for the temporary free importation of casein. p. 13962
21. FIBER; WOOL. At the request of Sen. Talmadge, passed over H.R. 7096, to exempt istle or Tampico fiber from the Tariff Act of 1930. Sen. Beall proposed an amendment to the bill which would remove from the dutiable to the free list woolen yarn of less than 3 inches in length. p. 13954

22. TRANSPORTATION. Began consideration of the conference report on S. 939, relative to rendering transportation services to the Government at free or reduced rates under Sec. 22 of the ICC Act. (pp. 13998, 14005-6, 14008, 14021-4) The House agreed to the report Aug. 19.
23. ELECTRIFICATION. Sen. Thye inserted a resolution of the Elk River Rural Cooperative Power Ass'n urging Congress to appropriate to the AEC funds for power development with such amendments as to allow the continuation of contract procedures for construction of a nuclear reactor powerplant. p. 13920
24. FOREIGN AID. Sen. Smith, N.J., inserted a breakdown of the relative figures of the various sections of the mutual security appropriation bill, and stated the House cuts "are cause for serious concern about every category in the bill." p. 13926
- Sen. Symington inserted an editorial, "Gum-Up On Foreign Aid," criticizing the administration for not "strengthening the case for mutual security." p. 13933
- Sen. Byrd urged cuts in foreign aid, and pointed to the sums in foreign currencies generated by Public Law 480 and other programs to show that over \$1 billion in "non-appropriated, non-accountable" funds is available above the sums budgeted. pp. 13995-6
25. FOREIGN TRADE. Sens. Douglas, Case (S.D), Javits, Mansfield, and Byrd discussed the proposed increase in the lead and zinc tariff, and Sen. Douglas inserted the minority views of himself and Sen. Gore on the bill, which they termed "an attempt to undermine our reciprocal trade program." pp. 13930-2
26. FISCAL POLICY. Sen. Cooper inserted the statement of Federal Reserve Board Chairman Martin before the Finance Committee on the monetary and credit policies of the Federal Government and the present economic situation. pp. 13941-4
27. LEGISLATIVE PROGRAM. Sen. Johnson announced that the Senate would resume consideration of S. 939, relative to rendering transportation services to the Government at reduced rates, on Wed., August 21, following which the Senate would possibly consider, among others, S. 25, making wage board employee pay increases retroactive to 30 days after initiation of the survey, the conference report on H.R. 4602, the veteran's housing bill, S. 2377, providing for the production of statements or reports of witnesses, and S. 1356, vesting jurisdiction over monopolistic trade practices by persons engaged in commerce in meat or meat products in the FTC. p. 14025

ITEMS IN APPENDIX

28. REA LOANS. Sen. Johnson inserted a resolution of the Nat'l Telephone Cooperative Ass'n opposing the proposed increase in REA interest rates. p. A6834
29. FOREIGN AID. Sen. Fulbright inserted an editorial discussing the cuts made in foreign aid appropriations, stating that the cuts are big but their true significance cannot be measured in terms of money, and that the President "will have to do more than read speeches and statements that are written for him, and to plead at the last moment with the leaders of Congress." pp. A6834-5
30. FARM INCOME. Extension of remarks of Sen. Johnson stating that "those of us who come from agricultural States are well aware that farmers and ranchers are not getting their share of the national income," and inserting Dr. Timm's, Texas A&M College, address, "Changing Nature of American Agriculture." pp. A6838-9

bill. It will provide maximum benefits not only from the Palisades project but likewise from the Burns Creek re-regulating dam. It is highly desirable to provide upper watershed developments of this kind and to provide maximum benefits under them, and to enable the people in the upper watershed to enjoy these multipurpose benefits.

Under such circumstances I am happy to join with my junior colleague and with the chairman of the Subcommittee on Reclamation in sponsoring the proposed legislation.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AMENDMENT OF SECTION 22 OF THE INTERSTATE COMMERCE ACT—CONFERENCE REPORT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the conference report on S. 939.

Mr. KEFAUVER. Mr. President, I object to the consideration of the conference report.

Mr. MANSFIELD. Mr. President, I understood it was ready to be considered at this time. The Senator from Florida [Mr. SMATHERS] is prepared, and the reason I have asked that it be laid before the Senate at this time is that there may be some business pending, because the Senator from Minnesota [Mr. HUMPHREY] wishes to make a statement on another subject. Is the Senator from Tennessee opposed to the consideration of the conference report?

Mr. KEFAUVER. I am against the consideration of the conference report.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from California will state it.

Mr. KNOWLAND. A conference report, of course, is privileged, and it is not subject to objection. Is that correct?

Mr. KEFAUVER. Nevertheless a motion will have to be made to take it up.

The PRESIDING OFFICER. The Senator from California is correct; it is a privileged matter, and may be brought up at any time.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

Mr. HUMPHREY. Mr. President, will the Senator from California withhold his suggestion of the absence of a quorum? I have a statement to make on another subject which is of great interest to the Department of Agriculture. It does not relate to the conference report.

TRANSFER OF CERTAIN LANDS TO THE STATE OF MINNESOTA

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 301, S. 864.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 864) to provide for the transfer of certain lands to the State of Minnesota.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs, with an amendment.

Mr. KNOWLAND. Mr. President, the Senator from Florida [Mr. SMATHERS], is on the floor, but I shall withhold the suggestion of the absence of a quorum until the Senator from Minnesota has made his statement.

LENDING AUTHORITY OF THE RURAL ELECTRIFICATION ADMINISTRATION

Mr. HUMPHREY. Mr. President, as the session draws to a close, I should like to call to the attention of the Senate a series of events which I have mentioned on prior days.

For weeks, reports have been current that the White House is not at all satisfied with the policies of Rural Electrification Administrator, David A. Hamil. The matter first came to public attention on July 20 when the Louisville (Ky.) Courier-Journal published an article by Robert L. Riggs of its Washington Bureau which recounted the pressures brought by the White House upon Mr. Hamil to reject a \$42 million loan to build a cooperative generating plant in southwestern Indiana.

Queried by the Courier-Journal, the REA Administrator pointed out that the Rural Electrification Act vests exclusive authority in the Administrator to approve loans and was quoted by Mr. Riggs in the article as follows:

I will face my responsibilities as provided in the law. Of course, the President, or his representatives, can always ask for my resignation.

Mr. President, I have before me a copy of Public Law 605, 74th Congress, an act to provide for rural electrification, and for other purposes, and I read section 2 of the act:

SEC. 2. The Administrator is authorized and empowered to make loans in the several States and Territories of the United States for rural electrification and the furnishing of electric energy to persons in rural areas who are not receiving central station services, as hereinafter provided.

In other words, the authority to make loans is vested in the administrator by the act.

So far Mr. Hamil has not resigned nor, to my knowledge, has the \$42 million loan been approved. However, I have an idea that the palace guard at 1600 Pennsylvania Avenue is not at all happy about the existing clash of wills over who is running REA—the White House or Mr. Hamil.

Subsequently, the Rural Electrification magazine in its August issue reported that Mr. Hamil's authority to approve

transmission or generation loans in excess of \$500,000 had been transferred, or was on the verge of being transferred, to other officials of the Department of Agriculture. The magazine quoted the manager of the Southeastern Illinois Rural Electrification Cooperative at El Dorado, Ill., as stating that he had been advised by REA officials that a new departmental policy required approval of the office of the Secretary of Agriculture on all loans over \$500,000.

Mr. President, this is a matter which I have called to the attention of the Senate on three different occasions. On each occasion I said categorically that my comments were based only upon allegations; that they were not based on any affirmation or confirmation from any official authority. Today, however, I have noted on the news ticker in the Senate lobby the following dispatch:

WASHINGTON.—Secretary Benson said today that David Hamil, REA Administrator, now must get clearance from his office to make loans of \$500,000 or more.

Benson told a news conference that Kenneth Scott, Director of Agricultural Credit Services, told Hamil some time in June that he should discuss with Scott any loans of a half million dollars or more before they are made.

Benson said Scott did this with his approval.

Benson insisted that this did not involve a reorganization requiring congressional approval.

Reports that Hamil had been stripped of his authority to make large REA loans on his own brought criticism on Capitol Hill, particularly from Senator HUMPHREY. HUMPHREY on two occasions has sent letters to Benson asking him to appear before a Government Operations Subcommittee to give an explanation.

In a letter to HUMPHREY today, Benson said he had in no way declined to appear when his schedule permits. He suggested, however, that HUMPHREY summon Scott and Hamil, saying he had no facts to which they could not testify.

Benson said a tight budget situation and an increasing demand for rural electrification loans prompted the plan of requiring Hamil to clear big loans.

It was Benson's first Washington news conference since June 25. He has been on a western trip during which he inspected various national forests and other projects.

Benson said he came back to Washington encouraged and reassured that his farm program is on the right track. He said he hoped to have recommendations ready for the new Congress for improving the farm program.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I prefer to complete my statement. Then I shall be glad to yield. For the present I should like to preserve the continuity of my statement.

Subsequently, according to the magazine article which I inserted in the CONGRESSIONAL RECORD of Tuesday, August 6, this action was contemplated under the provisions of Reorganization Plan No. 2 of 1953, which transferred to the Secretary of Agriculture the functions of all other officers, agencies, and employees of the Department of Agriculture, with certain exceptions; and it further authorized the Secretary of Agriculture to delegate the functions vested

the Western Hemisphere right at our own back door.

To the contrary, some of the loudest spokesmen and some of the most influential papers of the land are about the business of leading a journalistic crusade to assassinate the character of the Dominican Republic Government and the Cuban Government, the strongest friends of the United States in the Caribbean area. While they do this, these spokesmen and papers silently duck the issue of Communist infiltration in Latin America and pass over lightly inroads being made by communism in this hemisphere such as we witnessed recently in British Guiana.

Mr. President, I think the News and Courier should be praised for this forthright editorial on this highly controversial issue. This paper has placed reasoning and logic above the popular headline campaigns of the day and recognized friends who have done more to help halt communism in the Western Hemisphere than any other Caribbean countries.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MARXIST IN GUIANA

While the New York Times and other liberal newspapers have been conducting a campaign against two pro-American Caribbean leaders, Batista of Cuba and Trujillo of the Dominican Republic, a Communist has come to power in British Guiana.

Dr. Cheddi Jagan, who says that the "Marxist philosophy will one day be the philosophy of the world," won a sweeping victory in recent elections. The liberal press, which should have alerted the American people to what has been taking place, has been strangely silent.

Fortunately, Dr. Jagan may not be able to set up a Communist regime. The British, who ousted him in 1953, have warned that Communist rule will not be tolerated.

Again, as in the Sultanate of Muscat and Oman, across the world, the British are serving American interests. By their firmness, they may prevent red rule in South America. If the British were not firm, would the United States intervene in order to halt communism on this continent? There is no indication whatever that it would intervene.

The hollowness and sham of our foreign policy can be seen in this paralysis of American power. We will give billions to buy the friendship of Egypt, India, Yugoslavia. But the United States, the most powerful nation on earth, won't lay down the law and say that red rule shall be struck down wherever it arises in this hemisphere.

Mr. MANSFIELD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

BURNS CREEK PROJECT, UPPER SNAKE RIVER, IDAHO

The Senate resumed the consideration of the bill (S. 2757) to authorize the Secretary of the Interior to construct, operate, and maintain a reregulating reservoir and other works at the Burns

Creek site in the upper Snake River Valley, Idaho, and for other purposes.

Mr. ANDERSON. Mr. President, the junior Senator from Idaho [Mr. CHURCH] is in Buenos Aires attending the meeting of the Economic Council of American States. Before his departure he asked me to make a brief statement on his behalf in support of S. 2757, to authorize the Burns Creek project on the upper Snake River in Idaho.

S. 2757 was introduced by the senior Senator from Idaho [Mr. DWORSHAK] with his junior colleague [Mr. CHURCH] as cosponsor. Previously, each of the Idaho Senators had introduced separate bills which had the same objective—the authorization of the Burns Creek dam and reregulating reservoir with a powerplant on the upper Snake River.

The able senior Senator from Idaho [Mr. DWORSHAK] has worked hard on this proposal for a long time, and when there seemed to develop within the committee a difference of opinion as to how to approach the problem, it was suggested to the two Senators from Idaho that we should try to arrive at a bill in which they could both join. I commend the two Idaho Senators for the fact that they harmonized their differences at an open meeting of the subcommittee on reclamation, and agreed upon a single bill, which the senior Senator from Idaho introduced, and with respect to which he permitted his junior colleague to be a cosponsor. That bill was reported to the Senate.

Following public hearings by the Subcommittee on Irrigation and Reclamation, of the Interior and Insular Affairs Committee, on the bill and a series of conferences attended by representatives of the Department of the Interior, S. 2757 was cosponsored by both Idaho Senators.

The Committee on Interior and Insular Affairs reported favorably on S. 2757 and unanimously recommended that it do pass.

The bill and the project are fully explained in Senate Report No. 861, filed by the junior Senator from Idaho [Mr. CHURCH] on August 13, by direction of the Committee Interior and Insular Affairs.

The Burns Creek project is estimated to cost \$44,240,000 at January 1957 prices, and 98 percent will be reimbursable to the Federal Treasury through power revenues. A 90,000-kilowatt powerplant will be installed and operated in conjunction with the Palisades Dam project power facilities.

Burns Creek Dam, as a reregulating facility, will enhance the value of the power output of Palisades. Integrated operation will make the power output of both plants more valuable.

The water users of the upper Snake Valley have endorsed the project, which will also aid irrigation, provide protection for fish and wildlife, and recreational facilities.

The Committee on Interior and Insular Affairs has adopted the policy of incorporating in all irrigation project authorizations a proviso prohibiting the delivery of water to any new land for a period of 10 years for the production of

crops in surplus. The provision was omitted in reporting S. 2757 for the reason that the Burns Creek project is for reregulation of water released from Palisades Dam, and therefore develops no new irrigation supplies. Further, no new land is irrigated by the project. This statement is made to explain the omission of the surplus crop prohibition proviso.

Mr. President, with the concurrence of the chairman of the Committee on Interior and Insular Affairs, I offer an amendment to S. 2757, which is recommended by the Department of Agriculture on behalf of the Forest Service. The amendment is to protect the interests of the Forest Service in the Burns Creek development, and is identical with a similar proposal the Senate included in S. 60, the Frypan-Arkansas project.

I send the amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 3, line 13, after the word "agency", it is proposed to strike out the period and insert a semicolon and the following:

Provided, That all lands within the exterior boundaries of a national forest acquired for project purposes which are not determined by the Secretary of the Interior to be needed for actual use in connection with the project works shall become national forest lands: Provided further, That the Secretary of the Interior shall make his determination hereunder within 5 years after approval of this act or, in the case of individual tracts of land, within 5 years after their acquisition by the United States: Provided further, That the authority contained in this subsection shall not be exercised by the Secretary of the Interior with respect to national forest lands without the concurrence of the Secretary of Agriculture.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Mexico [Mr. ANDERSON].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. DWORSHAK. Mr. President, I am pleased with the cooperation of the chairman of the Subcommittee on Reclamation in bringing the bill to the floor of the Senate today. Several years ago, when the Palisades Dam was authorized and subsequently constructed on the South Fork of the Snake River—in fact, it is now under construction and is being completed—it was recognized that in order to get the maximum benefits from that multiple purpose dam, it would be advisable to construct, about 30 miles downstream, the Burns reregulating dam. That is the project which is authorized by S. 2757.

Frequently when such projects are authorized, opposition develops from a group interested directly in a public works project. In this instance, it is significant that the reclamation interests and conservation groups and preferential powers users are in complete agreement as to the desirability of authorizing the project. Under such circumstances, I am pleased to join with my junior colleague in cosponsoring the

been lent to REA under the Secretary's stewardship than any other Secretary.

Mr. HUMPHREY. I must ask the Senator not to put words in my mouth. I did not attack the Secretary as not being a friend of REA. I have never said that. I did not say he did not make loans. What I said was that the Secretary said before there was any change of policy he would notify the appropriate committee of Congress. He did not do that.

Mr. MORTON. Is there a change of policy involved when he merely keeps himself informed and requires the head of the Rural Electrification Administration to consult with a member of his staff?

Mr. HUMPHREY. I would say there was. The Secretary himself has said it. He did not say it to me or to any other Senator. He said it to a newspaper man, and we are indebted to him for that. Furthermore the Secretary said that that change of policy went into effect in June.

Mr. MORTON. I believe I will reserve further comment until I have read the report of the Secretary's press conference.

Mr. HUMPHREY. I shall be the first to apologize if I am wrong, or if I am being misinformed by the Associated Press dispatch. I made a very conscientious effort to obtain the facts. I have spent not only my time on the matter, but the staff of the committee has spent its time on it. It is a nonpartisan staff. It is the same staff that was in office during the time the Republicans were in control of Congress. I have asked members of that staff to seek out the facts. I have asked Mr. Walter Reynolds and Mr. Miles Scull of the Committee on Government Operations to assemble the facts for me. I have asked them, "All I want you to do is to get the material that is pertinent to the allegation. I do not know whether it is true. Will you please try to get the Secretary to come before the committee."

I have not stayed up nights thinking how I will make this speech. I am not the only one who has spent time on this subject. I went to the trained nonpartisan staff of the committee, and I asked them to look up the facts and give them to me. They have done that.

I say this is no way to conduct the Department of Agriculture. This is no way to operate the REA. The Senator from Kentucky can reserve his right, if he wishes, to determine whether it is a change of policy.

I say if a bank has a policy that a person can get a loan of \$1,000 without filing a statement as to his worth—which many banks require—and then it changes the policy to the effect that it will grant a loan of only \$200 without such a statement being filed, that involves a change of policy. Everyone knows that. This is a change of credit policy.

All I am saying is that not a single instrumentality of Congress was notified of the change. It can be argued whether the change is good or bad. The Senator suggests that the lending policy may be reviewed. Perhaps so. I say in light of

the long history of REA and in the light of the REA's autonomous position within the executive branch of the Government, and in light of what I believe to be the good record of the REA, under Republican and Democratic administrations, I believe what has happened is most unfortunate.

I do not wish to prolong the argument. I am not seeking any fight. I am not angry with Mr. Benson. I am not trying to be personal at all. I would respectfully suggest to my good friend from Kentucky, if he has the opportunity—and I know he is very busy—that he take the time to look through the hearing records.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CARROLL. I wish to say to the Senator from Kentucky that the reason I have personally taken an interest in the matter is because Dave Hamil, the REA Administrator, comes from Atwood, Colo. However, more than that, it is because of some fine newspaper reporting in Colorado. Both the Rocky Mountain News and the Denver Post have done a wonderful job in getting at the truth, namely, that there has been a limitation placed on the lending authority of the Administrator of REA.

I say to the Senator from Minnesota that a very serious charge has been leveled here. This is what the Denver Post, an independent Republican paper, said in an editorial on August 14:

Thus, when REA's now apply for loans to heavy up their lines or to build generation and transmission systems, those applications are exposed to more frequent challenge by private power companies which insist the loans are unnecessary.

I skip a few paragraphs.

Now, all of this bears upon the reported difficulties of Colorado's David Hamil, who for the last year has been Administrator for the REA in Washington. The Administrator is now expected to submit all applications for loans of more than \$500,000 to higher authority in the Department of Agriculture for review. We can only guess why.

Here is the charge this independent Republican paper makes:

The conflicts that are multiplying between private power companies and rural electric cooperatives have been carried into the upper strata of politics. The Administrator, who adheres to the guidelines of the REA Act, who processes loan applications by long-accepted standards of economic feasibility, and who ignores the protests of private power companies whose service areas are beginning to commingle or overlap with those of the REA, invites political repercussions. That, we suggest, happened to Mr. Hamil.

That is a very good point, it seems to me, and that is why the Secretary ought to come before the subcommittee and tell a regularly constituted congressional authority what the facts really are.

I read further:

The point is, such foregoing questions can be answered by Congress in the kind of REA law it makes, and not by administrative policy which exposes the REA Act to the whim or the whip of politicians and the lobbies of special interests that may or may not be effective at any given time. Mr. Hamil and indeed no administrator of the REA should be expected to distort the law by

executive decision simply because the law is inadequate to the stresses modern problems impose on it.

Mr. President, in a few paragraphs the Denver Post has set forth the whole issue. In spite of the fact that the Secretary of Agriculture stated there would be no change of policy without consulting Congress, a change has now been made. The Secretary of Agriculture has the obligation to come before a committee of Congress, in view of the overwhelming evidence that a change of policy has been made.

ORDER OF BUSINESS

Mr. ALLOTT obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator from Colorado yield to me for a moment?

Mr. ALLOTT. I am glad to yield.

Mr. MANSFIELD. Mr. President, if I may do so, I yield to the Senator from Florida [Mr. SMATHERS], who desires to submit a conference report.

The PRESIDING OFFICER. Does the Senator from Colorado yield for that purpose?

Mr. ALLOTT. Yes, I yield for the purpose of having the conference report submitted, if it is understood that I shall not thereby lose the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF SECTION 22 OF INTERSTATE COMMERCE ACT—CONFERENCE REPORT

Mr. SMATHERS. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 939) to amend section 22 of the Interstate Commerce Act, as amended. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). The report will be read, for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of August 14, 1957, p. 13475, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. MANSFIELD. Mr. President, let me say that objection was made earlier, and there was pending a call for a quorum. I think that should be stated for the record. The quorum call will be had as soon as possible, so that the objection may be heard. But I believe the conference report should be made the pending business at this time.

Mr. SMATHERS. Mr. President, will the Senator from Colorado yield further, so that I may propound a parliamentary inquiry?

Mr. ALLOTT. I am glad to yield.

Mr. SMATHERS. Mr. President, is the conference report now the pending business?

The PRESIDING OFFICER. The conference report is now before the Senate; and the pending question is on agreeing to the report. That question is debatable.

Mr. SMATHERS. That is the pending question, is it not?

The PRESIDING OFFICER. Yes.

Mr. SMATHERS. I thank the Senator from Colorado.

LENDING AUTHORITY OF THE RURAL ELECTRIFICATION ADMINISTRATION

Mr. ALLOTT. Mr. President, I desire to address myself to the remarks, which have been made for the last hour or so by Senators on the other side of the aisle, concerning the situation in connection with the Rural Electrification Administration.

I shall try to do so with some brevity, and I hope I shall do so with some clarity, in order that no further errors will appear in the RECORD.

I do not have before me the Associated Press dispatch to which the Senator from Minnesota has referred, and from which he has quoted. If he will let me have it for a few minutes, I shall be happy to use it in the course of my remarks. But I do not have it before me now.

Mr. HUMPHREY. I now have the report before me, and I hand it to the Senator from Colorado.

Mr. ALLOTT. I thank the Senator from Minnesota.

Mr. President, I now hold in my hand the Associated Press dispatch which was issued this morning, and upon which the remarks of the distinguished Senators have been based.

First of all, let it be noted that it is a press dispatch; it is not a statement by the Secretary of Agriculture, Mr. Benson; neither is it a press release from his office; neither does it quote the Secretary of Agriculture in any respect.

On yesterday, when we discussed this matter, several issues developed. I desire to dispose of them.

First of all, I wish to make it perfectly clear that I have not yet heard on this floor any criticism of the great ability of Mr. Hamil, as applied to the performance of his duties as Director of the REA; nor, I am glad to say, has there been any criticism of the growth of the REA and the expansion of the REA under this administration and under Mr. Hamil.

Mr. AIKEN. Mr. President, will the Senator from Colorado yield?

Mr. ALLOTT. I am very happy to yield.

Mr. AIKEN. I wish to say that I do not believe the Senator from Minnesota had to rely upon a press release to find out what Secretary Benson was saying this morning, because I believe the Senator from Minnesota received, this morning a letter from Mr. Benson; and probably the Senator from Minnesota will be glad to put the letter into the RECORD.

Mr. HUMPHREY. Mr. President, will the Senator from Colorado yield to me?

Mr. ALLOTT. I yield.

Mr. HUMPHREY. Not only did I receive the letter—which I have been wait-

ing for since August 5—but I also placed it in the RECORD.

Mr. AIKEN. It is in the RECORD; is it?

Mr. HUMPHREY. Yes. And at the time I said I wanted to do justice to the Secretary, and I wanted the entire letter to be printed in the RECORD. But the letter does not say when he will come before the committee. He said that sometime he would like to visit with me.

Mr. AIKEN. I believe he said Mr. Hamil would visit with the Senator at any time.

Mr. ALLOTT. Mr. President, I shall be glad to yield for questions, but I do not wish to yield to other Senators, to have them make speeches in the course of my remarks.

First of all, I must disagree with my very distinguished friend, the Senator from Vermont [Mr. AIKEN]. We shall get these matters straightened out one by one.

On yesterday, the junior Senator from Minnesota [Mr. HUMPHREY] made the statement, in substance—it appears in the RECORD, and he said it categorically—that the REA was an independent agency. Yet a few minutes ago he said, in reading from his own prepared statement, which I copied down as best I could, because I do not have before me the document referred to, that he asked the Secretary of Agriculture whether he was leaving it pretty much as an autonomous organization.

I submit that one cannot say categorically that it is independent, and still ask whether a certain official is leaving it pretty much as an autonomous organization.

Mr. HUMPHREY. I did not say that.

Mr. ALLOTT. I copied it down as best I could, as the Senator from Minnesota read the statement. I shall be happy to read the paper, if the Senator from Minnesota will give it to me.

On yesterday, we discussed this matter.

At this time I desire to address myself to one point, as follows: I feel that entirely too much work is done for Senators by their staff members. I desire to make myself entirely clear on that point. I feel that if possible, and it is possible, Senators should not depend so much upon staff members. By avoiding that, perhaps Senators can avoid some of the confusion which often develops.

During the remarks made on the floor of the Senate this afternoon, I talked with two persons—one in Washington, D. C., and one in Colorado. Before that, and as a basis for the remarks I made on yesterday, I had talked to Mr. True D. Morse, in the absence of Mr. Benson; and I had talked to Mr. Scott, who is the head of the Agricultural Credit Agency in the Department of Agriculture. From those conversations it seemed abundantly clear to me, that there has been no change in the basic policies of the Department of Agriculture.

First of all, the Department of Agriculture does have a basic responsibility for the REA.

Second, no basic change has been made.

Despite what the press report says, the Secretary of Agriculture has assured me within the hour, and Mr. Hamil has assured me within the hour, that there is no veto or any direction as to how these loans shall be made.

Mr. HUMPHREY. Mr. President, at this point will the Senator from Colorado yield to me?

Mr. ALLOTT. I yield for a question.

Mr. HUMPHREY. Then, in light of the request I made personally by letter to the Secretary of Agriculture, does not the Senator from Colorado think it would have been appropriate for the Secretary of Agriculture to have informed the junior Senator from Minnesota of the same thing? The Secretary of Agriculture wrote me a letter, but in it he did not inform me of this at all.

Mr. ALLOTT. I do not know about that, and I shall not attempt to answer that question. I am simply stating what the facts are.

There has been a very serious attempt to say, here on the floor of the Senate, that the Department of Agriculture, through Mr. Scott, has set itself up in a veto relationship in the case of REA loans. That is what I propose to discuss. I intend to inform the Senate and the country of the investigation I have made into this matter.

Mr. HUMPHREY. Mr. President, will the Senator from Colorado yield for another question?

Mr. ALLOTT. I yield for a question.

Mr. HUMPHREY. Is it not rather peculiar that the Secretary of Agriculture has plenty of time to talk to the Senator from Colorado on the telephone, but has no time at all, at any time at his convenience, to meet with a duly authorized committee of the Congress? I am perfectly willing to sit down with him at 9 o'clock at night.

Mr. ALLOTT. Mr. President, I have yielded for a question, I shall answer it; and then I shall proceed with my remarks, in my own way, for a few minutes.

A few minutes ago I said, in regard to the remarks the Senator from Minnesota had made, that he had asked certain staff members to investigate this matter. There is no question in my mind that if the junior Senator from Minnesota had called the Secretary of Agriculture—and I am sure the Senator from Minnesota is not unacquainted with him—the Secretary of Agriculture would have talked with him and would have discussed the matter with him.

Mr. HUMPHREY. Mr. President, at this point will the Senator from Colorado yield?

Mr. ALLOTT. I yield for one more question.

Mr. HUMPHREY. Will the Senator from Colorado tell me how I could even get hold of the Secretary of Agriculture, when he had gone away? No one would tell where he was.

Second, when the Secretary of Agriculture did return, will the Senator from Colorado tell me why—when a letter was lying on the Secretary's desk—it would not have been proper for him to communicate with the Senator who wrote the letter?

Mr. ALLOTT. I cannot place myself in the position of Secretary Benson.

It was the Senator from Minnesota who pointed out to me, on the floor of the Senate, on yesterday, that the Secretary of Agriculture had returned. That is why I had the information, and that is why I called him this afternoon.

Mr. HUMPHREY. I heard that from the United Press, not from the Secretary of Agriculture.

Mr. ALLOTT. Mr. President, I shall develop the matter further. As nearly as it is possible to do, I should like to straighten out several things.

First of all, question has been raised as to why Mr. Hamil is in Colorado at this time. At one point it was implied that someone was trying to "run him out." Perhaps that is true; but, if so, those who are trying to run him out are not the ones whom it has been implied were trying to do so. Mr. Hamil is in Colorado, for his annual vacation; and I do not think anyone should be critical of him for that.

As a matter of fact, there are few people in Government who have devoted themselves more assiduously to their jobs than has Mr. Hamil.

First of all, in discussing this matter with Secretary Benson, in view of the remarks I made on the floor yesterday, and in view of the remarks that were being made on the floor this afternoon, I put directly to the Secretary, the questions which have arisen as to his assumption of a veto power over and the direction of the REA. In reply to those questions, he told me that Mr. Hamil and Mr. Scott had mutually agreed some time ago that they would look into these questions and would discuss the economic feasibility of these matters, because they felt that mutual advice on the overall agricultural picture, and how it was developing, would be of great value in the matter. He told me further they had reviewed some of the files—which was the statement I made yesterday—and they had discussed them, but only as to some of the larger loans; that there had been no reorganization of their Department; that there had been no reorganization of REA; that there was no veto power; and that there had been no pressure of any kind, either to approve or disapprove any loan or any application for a loan that had come up. He further advised me that Mr. Hamil had told him this review and discussion of policy had been helpful to him.

This afternoon, when I discussed the matter with Mr. Hamil, he reaffirmed, almost in the same words, what the Secretary had said—that he has himself been wholly responsible for the decisions that were made with respect to loans; that the purpose of the discussions was primarily to bring the Department of Agriculture up to date on what the REA was doing and how it was developing and how it was performing; that not one loan had been turned down where the Department of Agriculture had ever seen the file; that there were absolutely no restrictions of any kind upon him, nor had any policies or guidelines been laid upon him; and that he finds no objection to the practice of

checking the files or reviewing the files—however one wants to put it—which have come into existence.

I am sure Senators on the other side of the aisle are genuinely concerned about the benefits and welfare of REA, but it seemed to me that this matter should be made abundantly clear. If there was ever much ado about nothing, I believe this is it, because the policies of the REA, the direction and control of REA, according to Mr. Hamil's statement and according to the Secretary's statement, have remained unchanged.

Mr. Hamil was very, very emphatic in saying that in no instance had his policies ever been interfered with, nor had the Department of Agriculture, or any member of it, ever controlled or tried to tell him to approve or disapprove a loan; that he understood, as of now, that he was responsible for the directorship of REA, and not the Department of Agriculture, Mr. Scott, or anybody else; and that he intended to continue fulfilling that responsibility to the best of his ability.

So, Mr. President, while I realize that interpretations as to what is said can differ, it seems to me it is only proper at this time, in view of the rather lengthy discussion which has taken place, that the RECORD be made perfectly clear as to what the situation is with respect to the Department of Agriculture and the REA. It is that while some of the files have been reviewed, there has never been a loan turned down on any file which has been reviewed, and there has never been any attempt on the part of the Department of Agriculture, or any of its members, to cause him either to disapprove or approve a loan, or in any other way to operate or run or interfere with his department.

I believe it is necessary to make such a statement for the RECORD. It is my hope it can be set straight in more positive fashion; but during this interval, for whatever reasons there may be, in the absence of Mr. Hamil, in all due fairness to the welfare of the farmers of the Nation who are dependent upon the REA, it seems to me it is necessary to make such a statement.

In 4 years of this Republican Administration, the backlog of REA loans was reduced from \$192 million to \$90 million. In addition to that, I believe more money has been lent under REA during this administration than was loaned in any like period before.

The record of Mr. Hamil, as well as that of his predecessor, Mr. Ancher Nelsen, in expanding the REA and in realizing the ideal of making REA really a working and practical agency has been a record of which certainly I, and I am sure every Member of the Congress, is very proud.

Mr. President, I hope this will lay the matter at rest. In view of the fact that both the conversations occurred while the matter was under debate on the floor, I felt that my colleagues, and the people who are interested in the welfare of REA, should be aware of it.

I suggest the absence of a quorum—

Mr. HUMPHREY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Colorado withhold his suggestion of the absence of a quorum?

Mr. ALLOTT. Does the Senator wish me to yield to him, or does he wish the floor?

Mr. HUMPHREY. I wish to make a comment in my own right.

Mr. ALLOTT. I yield the floor.

Mr. HUMPHREY. To conclude this colloquy, I wish to say to the Senator from Colorado that we are not arguing about the accomplishments of REA. While it is true that more money has been loaned, the reason it has been loaned is that it has been provided and made available by the Congress. I suppose both political parties can take credit for that.

Mr. ALLOTT. I think the Senator from Minnesota will agree that while Congress provides the money, the circumstance that it was loaned is illustrative of the fact that the policies of the Congress as expressed in legislation were being carried out.

Mr. HUMPHREY. I think that is a correct statement. I should add that the cost of construction is probably higher, so we are not too sure what we are getting for the money we are spending.

I think what must be dealt with is not the capability of Mr. Hamil, which is not questioned. If Mr. Hamil is on vacation, God bless him. I am sure he deserves it. If he is in Colorado for his vacation, he is probably having a wonderful time. It is a beautiful State.

The Senator from Minnesota was very careful in his comments, and he has reread them. If the allegations of a change in organization or policy are true, then there has been a violation of the commitments which were made at the time of Reorganization Plan No. 2 in 1953. At that time the Secretary assured us that if such a change were contemplated, the committees would be informed. It is well and good for a Senator to inform other Senators as to what is going on in the Department of Agriculture. I am deeply indebted to the Senator from Colorado for his information as to what was said. It is very helpful. But telephone calls are two-way streets. I initiated the conversation with the Secretary in my role as chairman of the subcommittee. I sent him a personal letter through my staff, and awaited a reply. A reply was not forthcoming until today, in the form of a letter. It is no more difficult for the Secretary to call the junior Senator from Minnesota than it is for the junior Senator from Minnesota to call the Secretary. Since a request was made by a Member of Congress, it appeared that a reply was only just and courteous.

The point at issue here is: If a decision has been made relating to loan policy, why was that decision not discussed with the Congress, in the light of the commitments made under Reorganization Plan No. 2? The friends of the REA had better be pretty careful, because if the present Secretary can get by with such a procedure, another Secretary will get by with even more.

I repeat what the Senator from Georgia [Mr. RUSSELL] said, when he reminded

us in the committee, "If we do not tie this thing down into specific terms, gentlemen, somebody is going to tamper with the REA."

It may be said that there is no tampering with the REA now, and we can argue the point and take sides on the question. There seems to be little doubt that the Director of the Agricultural Credit Services is at least in a consultative position with the Administrator of the REA on loans. I submit that was not the case before June 1. I submit that the record, at least so far as we have been able to ascertain it, is that their kind of arrangement is operative with the approval of the Secretary of Agriculture. I further submit that it represents a change in policy.

If there is anyone who can produce a letter from the Secretary saying that Mr. Hamil, the Administrator—whoever the Administrator may be, since we are not talking solely about Mr. Hamil—is not required to discuss loans of \$500,000 or more with the Director of Agricultural Credit Services, by the production of such a letter one could say there is no change. The truth is that prior to June 1, 1957, loans of \$1 million, loans of \$2 million, and loans of \$5 million were made, consummated, signed, sealed, and delivered by the Administrator of the REA under the authority of the Congress.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. HUMPHREY. That was done without any requirement whatsoever on the part of the Secretary of Agriculture that the loans be cleared with or discussed with any other member of the Department.

I am not going to argue the merits of the matter. If there is to be an argument about it, the place for it, it seems to me, is before a committee. All the Senator from Minnesota has said, which he will repeat, is that anyone who wants to look at his comments will find them respectful of the Secretary, and considerate of the position of the Congress and the responsibility and the authority of Reorganization Plan No. 2.

I now yield to the Senator from Colorado.

Mr. ALLOTT. Is the Senator contending that the conveyance of information in the files to the Department of Agriculture is a change of policy?

Mr. HUMPHREY. The Senator from Minnesota is contending that prior to June 1, 1957, there was no such requirement whatsoever.

Mr. ALLOTT. Let me state what is occurring.

Mr. HUMPHREY. There was no requirement that a loan of any size be cleared with any member of the Department of Agriculture, save the Director of the REA. If the Senator from Colorado can prove to the contrary, he will be given all the time necessary in my time. I will yield to him for that purpose.

Mr. ALLOTT. I shall take the time in my own time.

Mr. HUMPHREY. I should like to have the Senator prove that there was such a policy prior to June of 1957. If

there was a change in policy, why were we not notified?

Mr. ALLOTT. When the Senator yields the floor I will answer him.

Mr. HUMPHREY. I thought the Senator had another question to ask.

I think all the debate boils down to whether we are to have a Cabinet officer who has administrative jurisdiction over an agency, which by law of Congress has been granted autonomy so far as its policy and function is concerned, make basic policy decisions and organizational changes without any reference to the Congress of the United States, in the light of Reorganization Plan No. 2. That is all that is involved, in my view.

Mr. ALLOTT and Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. ALLOTT. Mr. President, I should like to ask the Senator from Minnesota one question.

Did I understand the Senator to say that he had placed in the RECORD a letter he received from the Secretary this morning?

Mr. HUMPHREY. Yes. I also asked to have printed the letter to Under Secretary Morse.

Mr. ALLOTT. So that there will be no question about that, I hold in my hand a copy of the letter. It does not say at any point that there has been any reorganization.

I should like to make one point. The junior Senator from Minnesota has said that loans of \$500,000, \$750,000, and \$1 million or more have been made heretofore upon the authority of the Director of the REA, and they are made upon the authority of the Director of the REA, according to Mr. Hamil. He is the only one, the sole person, who has the say "yes" or "no" based upon the feasibility or advisability of any loan. So there has been no change of policy. The submission of information to the Department of Agriculture for its information does not constitute a change of policy.

Mr. HUMPHREY. Will the Senator then answer a question for me? For what purpose is the reference? I am serious about the matter. I am not trying to be picayunish. What is the purpose of the reference to the Director of the Agricultural Credit Services? Perhaps the Senator can tell me, since he has had such a friendly contact with the Department and since he receives copies of letters which the Secretary sends to me. I hope the Secretary does not send copies to everybody.

Mr. ALLOTT. I received this copy after the debate had started. I do not receive copies of any letters sent from the Secretary of Agriculture to the Senator from Minnesota, or copies of letters sent to any other Senator. I want to make that perfectly clear.

Also, so that the record may be made straight, I want to make perfectly clear that I do not believe my relationships with the Secretary of Agriculture are unique or any better or any worse than those of many other Senators, and I wish to state that any other Senator could have the same access to the Secretary if he wished to have it.

The question which the Senator asked me could be answered by what Mr. Hamil said. Mr. Hamil said that they decided it would be mutually advantageous, and that he had found it helpful, since it gave them a picture of the general agricultural situation as it pertained to the REA which they would not have except through official reports. As I understood him—and I think I am quoting him correctly—he explained that it was a proper position, entirely satisfactory to him, and had not resulted in any handtying, any crippling, any direction, or any veto power.

AMENDMENT OF SECTION 22 OF INTERSTATE COMMERCE ACT—CONFERENCE REPORT

Mr. SMATHERS. Mr. President, a few moments ago when the motion was made that the Senate proceed to consider the conference report as to Senate bill 939, there apparently was some misunderstanding with respect to the wishes of the Senator from Tennessee. The Senator from Montana felt that a quorum call should have been requested prior to the motion being made to take up the conference report. In the absence of the Senator from Tennessee, of course, there was no objection to taking up the conference report, for consideration, so it became the order of business.

Shortly thereafter the Senator from Tennessee came into the Chamber, and seemed to be somewhat put out about what had happened, so I agreed with him that I would ask unanimous consent that the vote on the motion to take up the conference report be reconsidered as soon as the colloquy between the Senator from Colorado [Mr. ALLOTT] and the Senator from Minnesota [Mr. HUMPHREY] had come to an end.

Since that time the Senator from Tennessee has advised me that he is satisfied with the procedure which we originally followed, and that he does not now desire a reconsideration of the vote by which the motion to take up the conference report was agreed to.

The Senator does insist that we should have a quorum call before any vote is taken on the conference report. I have assured the Senator that if I am on the floor at that time I certainly shall ask for the quorum call, and I want to make it a matter of record, so that whoever may be the acting majority leader at the time will ask for a quorum call prior to the vote being taken on the adoption of the conference report.

JURISDICTION OVER MEATPACKERS AND FOOD HANDLERS

Mr. WATKINS. Mr. President, on August 16, 1957, the United States Department of Agriculture announced that it had issued a complaint against Wilson & Co., one of the largest meatpackers in the country, charging that firm with price discrimination, receptive practices, and the keeping of false records in violation of title II and other provisions of the Packers and Stockyards Act.

AMENDMENT OF SECTION 22 OF INTERSTATE COMMERCE ACT—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 939) to amend section 22 of the Interstate Commerce Act, as amended.

Mr. SMATHERS. Mr. President, I desire to make a very brief statement on the conference report on Senate bill 939. Members of the conference committee representing the Senate were the junior Senator from Ohio [Mr. LAUSCHE], the junior Senator from Texas [Mr. YARBOROUGH], the Senator from Connecticut [Mr. PURTELL], the Senator from Kansas [Mr. SCHOEPPEL], and the junior Senator from Florida.

We found ourselves, at the time of the conference, in a rather unusual situation. We did not exactly know how to resolve the differences when we sat down in conference, but we have worked out what we believe is the best and most practicable solution at which we could arrive.

The situation, very briefly, was this: After the Senate had passed Senate bill 939, which was the bill originally submitted at the request of the Interstate Commerce Commission, to render inapplicable section 22 of the Interstate Commerce Act except during war or national emergency, the House undertook consideration of a similar bill. After considering the bill in the Senate committee, we left the substantive provisions of section 22 unchanged. This continued to make it possible for various Government agencies to take advantage of section 22 quotations, which meant that they could continue to take advantage of rate quotations below published rates.

However, we saw fit to incorporate into the original bill an amendment which provided that when the carriers did make section 22 quotations, they would have to submit copies of them to the Interstate Commerce Commission at the time they made the quotations, in order that any of their competitors might be able to see the new rates, and thereby themselves compete.

That bill, as amended, passed the Senate on June 12, and went to the House. The House undertook consideration of a similar bill. However, after the House had completed its deliberations, it decided to amend its bill by providing that section 22 should still remain operative, except for 1 provision, which would take away from the motor carriers of household goods the privilege under section 22.

The House bill was finally reported to the House for final action, but before it could be brought up a district court in the District of Columbia entered a memorandum decision in a case which involved certain nonscheduled air lines against certain railroads.

The decision held, in effect, that the railroads were not protected from anti-trust prosecution under section 5 (a) of the Interstate Commerce Act in making rate quotations under the privilege offered to them by section 22 of the

Interstate Commerce Act to quote free or reduced rates.

Immediately the question arose, particularly on the part of the Defense Department, as to what the effect of the court decision would be. The Defense Department said that if it were not permitted to continue to negotiate with the railroads as it had been doing since 1948, and to continue to follow the pattern and procedure which it had followed since that time, the cost to the Defense Department would be \$100 million in 1958 alone.

The reason such a result would have been brought about is that the railroads, in the light of the decision which had been rendered against them in the district court case, did not wish to continue to make quotations to the Federal Government, and particularly to the Defense Department, under section 22, because in so doing, in the light of the district court decision, they would be subjecting themselves to further damage suits.

They wrote a letter to the Department of Defense, and said, in effect, "So long as this decision stands, we will not be in a position to offer section 22 quotations."

Thus, there came about a situation because of which the Defense Department said the cost to it would be \$100 million in 1958.

The House of Representatives, having these facts explained to it, determined, in its wisdom, that the only thing to do was to attempt to put everyone back in the status quo as it had existed since 1948, until possibly some future legislation might be enacted and some changes might be made by the Congress, or at least until the Supreme Court of the United States had made a final decision on this particular question.

So the House passed what has come to be known as the Harris amendment to S. 939, which, in effect, immunized the railroads from the provision of the anti-trust laws. In other words, what the House did, in effect, was to redefine or reinterpret the intent of the Congress as expressed in 1948, so as to say that when the Act was passed in 1948, known as the Reed-Bulwinkle Act, the Congress not only attempted to give to the railroads the right to act in concert and get together in fixing rates with respect to commercial shippers, but also with respect to offering quotations to the Federal Government under section 22.

The Harris amendment was adopted overwhelmingly by the House of Representatives. Then the bill went to conference. We have not had a single day of testimony. We have not heard a single witness, which is a circumstance we do not like. We were faced with such a situation, however, that, if we did not go along with the House approved amendment, the Defense Department said the cost to it would be, as I have repeatedly stated, \$100 million in 1958.

As practical men, we thought the only thing to do was to accept the amendment which had been previously adopted by the House. It is the amendment which seeks to maintain the status quo, so that this enormous amount of money will be saved by the Defense Department. Then, next year, or at some future date—if the

Supreme Court upholds the district court decision—if it is the wish of a Senator or Member of the House to introduce a bill to strike out section 22 or to restrict the interpretation of the Reed-Bulwinkle Act, he can do so. We have assured those interested that we would have an immediate hearing on such proposals.

That, in essence, was what the conferees did. It is not what we would have preferred. We do not agree that it is the best way to legislate, but we are not up against a theory; we are up against a practical matter.

At this point I ask unanimous consent to have printed in the RECORD, a letter from the Defense Department, signed by Major General Lasher, executive director of the Military Traffic Management Agency, together with an attached memorandum on S. 939. I ask that both be printed in the RECORD.

There being no objection, the letter and memorandum were ordered to be printed in the RECORD, as follows:

MILITARY TRAFFIC

MANAGEMENT AGENCY,

UNITED STATES ARMY,

Washington, D. C., August 15, 1957.

Hon. GEORGE A. SMATHERS,

United States Senate.

DEAR SENATOR SMATHERS: I am inclosing a memorandum covering some of the essential information in connection with S. 939 as requested by your counsel, Mr. Barton.

I am happy for the opportunity of assembling this information and hope that it may be of assistance to you.

Sincerely yours,

E. C. R. LASHER,

Major General, United States Army,
Executive Director.

MEMORANDUM

S. 939, which, stripped to its essentials, affords the same privileges to Government shippers as is already afforded commercial shippers, must be enacted into law.

Concerted action by groups of carriers in connection with the rates and fares for the movement of traffic generally has been the practice for years and such action has been of great assistance to both the carriers and their customers in negotiating and establishing reasonable rates for moving both the commerce of the United States as well as persons and things for the Government. These practices result in substantial savings to shippers not only in transportation charges themselves but in the reduction of administrative expenses as well, and has greatly aided in expediting such negotiations as well as the movement of the traffic itself.

The fact that the hundreds of separate and independent railroads of the country have been integrated into virtually a single system, so far as the shipping public is concerned, is so familiar as to be apt to be taken for granted with no thought of the extent of cooperative action on the part of the carriers that is necessary to bring about such a result.

In amending the Interstate Commerce Act by adding section 5a in 1948, we do not believe that Congress could have intended to pass the benefits thereof only to industrial shippers and exclude Government shippers, for such would have been discrimination against itself. Were this the case, the meaning of "rates, fares, and charges" would have been different in different parts of the act and Congress would have made its meaning clear. However, the Congress made no distinction between "rates, fares, and charges," in one section as opposed to any other section and these words must be given the same meaning throughout the act. We have al-

ways thought that the protections of 5a extended to joint section 22 quotations. It is unbelievable that Congress expected the Commission, the carriers, the Department of Defense, other Government shippers, as well as the courts, to interpret these words differently without any indication in the law that it intended a different meaning.

However, the Interstate Commerce Act, specifically 5a thereof, was so interpreted by a recent court decision which, if upheld, makes the conscientious and honest efforts in this field, of the Interstate Commerce Commission, of Government shippers, and the carriers, illegal since 1948. The court's opinion would permit carriers to jointly establish "rates, fares, and charges" on the traffic of commercial industry through the conference method but would deny these benefits to the Government on the traffic it moves under the provisions of section 22 of the act. The economic ramifications of the Government dealing with the thousands of carriers individually on rate matters are enormous—not only impractical during peacetime and impossible during times of emergency, but at all times expensive beyond reason.

Over and above the high administrative costs, the rates and fares themselves, under such a ruling, would have been much higher. For instance, in the Department of Defense alone for fiscal year 1956, had the restriction now imposed by this court's decision been in effect, that Department would have had to pay in excess of \$100 million more to move its traffic. The estimated volume of fiscal 1958 traffic appears at this time to be at about the same level as fiscal 1956.

Further, all carriers are required by law to move people and things at the legal rate. The court's decision renders illegal all rates arrived at by the conference method and offered the Government under the provisions of section 22 of the act at least since 1948. Being required, therefore, to charge the legal rate, carriers would be legally obligated to file claims for the undercharge differences thus accrued. Including as it does the Korean emergency and its high volume movement, this period could produce lawful claims almost incalculable in total.

Therefore, in order to absolutely clarify the original intent of Congress, to make doubly sure that the law will admit of no misinterpretations, to continue fair and reasonable rates for movement of Government traffic, and to prevent further embarrassment of the Interstate Commerce Commission, Government departments, and the carriers, S. 939 should be enacted into law as reported out of conference.

Mr. SMATHERS. I ask unanimous consent to have printed in the RECORD, so that Senators and Members of the House will have an opportunity to read it before we continue the discussion tomorrow, a letter from the Interstate Commerce Commission dated August 19, 1957, signed by the Honorable Owen Clarke, Chairman of the Interstate Commerce Commission, on the applicability of section 5a to rates made under section 22.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

INTERSTATE COMMERCE COMMISSION,
Washington, D. C., August 19, 1957.
Hon. GEORGE A. SMATHERS,
Chairman, Surface Transportation
Subcommittee, Committee on In-
terstate and Foreign Commerce,
United States Senate, Washington,
D. C.

DEAR SENATOR SMATHERS: This is in response to a telephonic inquiry from Mr. Frank Barton requesting an expression by the Commission concerning the relation between

section 5a and section 22 of the Interstate Commerce Act in connection with proposed legislation which would amend section 22.

Section 22 now provides, among other things, "That nothing in this part shall prevent the carriage, storage, or handling of property free or at reduced rates for the United States * * * or the transportation of persons for the United States Government free or at reduced rates." This provision removes such rates from the jurisdiction of the Interstate Commerce Commission insofar as the power to prescribe minimum rates and fares is concerned.

Section 5a (2) provides "Any carrier party to an agreement between or among two or more carriers relating to rates, fares, * * * may * * * apply to the Commission for approval of the agreement * * *." Under section 5a (9) such approval relieves the parties to the agreement from the operation of the antitrust laws.

The question arises as to whether the term "rates" as used in section 22, is coextensive in meaning with the words "rates" and "fares" as they are used in section 5a. As we see it, they are coextensive in meaning in the absence of any specific language to the contrary. The mere restraint upon the Commission's jurisdiction over rates under section 22 would not, in my view, make it inappropriate for the Commission to pass upon agreements relating to such rates and fares under section 5a. I do not believe that this view would in any way run counter to or be inconsistent with the broad intent of Congress in enacting section 5a. Although the Commission has not had occasion to pass upon this particular question, we have approved agreements which included the processing of section 22 proposals. I believe, therefore, that such approval would bring section 22 proposals thereunder within the purview of section 5a (9) of the Interstate Commerce Act.

In order to remove any doubt respecting the extent of our jurisdiction under section 5a, however, I believe that it would be desirable to enact clarifying legislation as proposed.

If I can be of further assistance, please do not hesitate to call on me.

Sincerely yours,

OWEN CLARKE,
Chairman.

Mr. SMATHERS. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point a letter from the Atomic Energy Commission, signed by Mr. R. W. Cook, Deputy General Manager, in which he states that if we do not adopt the House amendment and agree to the conference report, as now submitted, it will cost the Atomic Energy Commission approximately \$4 million in their operations next year.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES,
ATOMIC ENERGY COMMISSION,
Washington, D. C., August 15, 1957.
Hon. GEORGE A. SMATHERS,
Chairman, Subcommittee on Surface
Transportation, Committee on In-
terstate and Foreign Commerce,
United States Senate.

DEAR SENATOR SMATHERS: This is in response to your request for an expression of our views on S. 939, an act to amend section 22 of the Interstate Commerce Act, as amended, as this bill was recommended yesterday by the committee of conference on the disagreeing votes of the two Houses. (See p. 13475, CONGRESSIONAL RECORD, vol. 103, No. 147, August 14, 1957.)

As we understand this bill as reported out by the committee of conference, it would add a subsection to section 22 of the Interstate

Commerce Act which would require carriers offering tenders for transportation or related services to the United States Government under section 22 to submit copies of such tenders to the Interstate Commerce Commission. Upon submittal of tenders made pursuant to an agreement approved by the ICC under section 5a of the act, the provisions of paragraph (9) of section 5a, granting relief from the operation of the antitrust laws, would apply. The bill further provides that no liability or cause of action previously accrued would be affected, and that submission of tenders to the ICC shall not be required if the Government indicates to the carriers that there is involved information disclosure of which would endanger the national security.

A recent judicial decision holding that section 5a of the Interstate Commerce Act does not apply to carrier agreements relating to section 22 quotations to the Government threatens to create a serious situation with respect to the rendering of transportation services to the Government under such quotations. Not only do estimated annual savings in excess of \$4 million accrue to the Atomic Energy Commission as a result of reduced rates made available under section 22 quotations, but many special arrangements, some of nationwide scope, are negotiated with carriers for the rendering of special services in connection with shipments of items of vital importance to the national defense and security. Important considerations of public health and safety are also involved in these specially negotiated arrangements. We are disposed to regard with concern any developments which might tend to inhibit the carriers from negotiating with us for these special arrangements, both with respect to rates and other considerations mentioned above.

We therefore urge enactment of S. 939, as reported out with amendments by the Committee of Conference.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

R. W. Cook,
Deputy General Manager.

Mr. SMATHERS. Mr. President, I also ask unanimous consent to incorporate in the RECORD at this point a letter, with attached memorandums, from the Association of American Railroads, dated August 13, in which it is stated that under the decision of the district court as it now stands, they are not in a position to do any business with the Government under section 2 A unless some further immunity is granted to them. Attached to the letter are two memorandums.

There being no objection, the letter and memorandums were ordered to be printed in the RECORD, as follows:

ASSOCIATION OF AMERICAN RAILROADS,
Washington, D. C., August 13, 1957.
Hon. GEORGE A. SMATHERS,
United States Senate,
Washington, D. C.

DEAR SENATOR SMATHERS: Mr. Frank Barton, transportation counsel, Senate Committee on Interstate and Foreign Commerce, has advised me that the committee has in its possession a copy of a memorandum dated July 30, 1957, from a Mr. J. J. Kelley to Mr. Gass (copy attached), and that not being aware of who these gentlemen are, you would like to have a confirmation from an official of the Association of American Railroads regarding the statements contained therein.

For your information, Mr. Gass is chairman of the car service division, Association of American Railroads and Mr. J. J. Kelley is manager of the military transportation sec-

tion, car service division, Association of American Railroads. Neither has anything to do with the making of section 22 quotations to the Department of Defense, but representatives of the regional passenger associations have their offices with the military transportation section and thereby Mr. Kelley keeps abreast of the action being taken by the various passenger associations.

The Association of American Railroads performs no function in connection with the making of quotations to the Government, but in view of your request, I have undertaken to obtain the information that would enable me to inform you accurately as to the current situation with respect to making section 22 quotations to the Government for the movement of military personnel. I have obtained the information by talking directly to the chairman of each of the following passenger organizations: Trunk Line-Central Passenger Committee, New York, N. Y.; New England-Passenger Committee, Boston, Mass.; Southern Passenger Association, Atlanta, Ga.; Western Railroads Military Bureau, Chicago, Ill.

That information I am furnishing to you in the form of a separate memorandum, enclosed. As you will note, the situation was as described in the memorandum from Mr. Kelley to Mr. Gass at the time that memorandum was prepared and has continued up until almost the present time, but has now been modified somewhat.

I trust this gives you the information you desire.

Very truly yours,

GREGORY S. PRINCE,
Vice President and General Counsel.

JULY 30, 1957.

MR. GASS: As Judge McGarraghy's injunction against the rail carriers submitting concerted section 22 quotation bids to the Department of Defense on passenger traffic is now effective, the regional passenger traffic associations have been instructed to submit no quotations of any kind to the Government for the time being. The only movements the rail carriers will now get will be those on which the air carriers do not bid. In other words, while the military will continue to submit cost requests on all movements of 15 or more they will be returned with the notation that the rail carriers will handle the traffic under the joint military passenger agreement.

While the interpretation of the restraining order is that it prohibits only what is called package bidding the instructions to the passenger associations are that no bids will be submitted on straight point-to-point movements as well.

J. J. KELLEY.

AUGUST 13, 1957.

Based on the opinion of the Federal District Court for the District of Columbia (Judges McGarraghy) in *Aircoach Transport Assn. et al. v. Atchison, Topeka & Santa Fe Ry., et al.* (Civil Action 875-57), the railroads stopped making spot variable section 22 quotations and also stopped making so-called package section 22 quotations with the expiration of the court's stay on July 27, 1957. After this date, the only offering by the railroads in answer to the military's specific cost requests was the standing section 22 quotation known as the Joint Military Passenger Agreement which provides that the railroads will handle any and all military traffic at 10 percent less than regular commercial fares. This continued to August 8, and the railroads received practically none of the competitive passenger traffic. They did receive a few movements but only as a standby service when the nonscheduled air carriers found that they could not or did not desire to bid for the traffic.

On August 1, the Court of Appeals for the District of Columbia granted a stay of the order until the case could be heard and decided on appeal. Subsequently, the carriers, other than those in the New England Passenger Association, in an attempt to compete for at least a small part of the military passenger traffic, concluded that in addition to the quotations in the Joint Military Passenger Agreement they would make special section 22 per capita bids for a period of 30 days or longer between points between which they were aware of recurring traffic in substantial volume. New England roads continue to limit their quotations to those contained in the Joint Military Passenger Agreement. The eastern and western railroads proceeded to prepare a limited number of such section 22 quotations dated August 8 and 9, carrying an expiration date of September 30. The southern railroads have not made any such quotation from or within the South nor have they participated in such quotations from the West to the South and have participated in only one such quotation from the East to the South. Eastern railroads have concurred in a few such quotations on movements originating in the western territory and likewise the western railroads have concurred in a few quotations made on movements originating in eastern territory. The military started using these period quotations August 12 in their evaluation of bids received in response to their cost requests. It is our information that up to this time only one competitive movement has been awarded the railroads under these period per capita quotations.

While the statement above relates only to the movement of passenger traffic for the Government, the construction of the law arrived at by Judge McGarraghy in his opinion imposes upon the railroads a threat of possible antitrust prosecution and treble damage suits from competitors in connection with reduced-rate quotations made under section 22 through concert of action for the transportation of freight for the United States Government or for State or municipal governments. The same thing would be true for other reduced rates pursuant to section 22, such as drought relief rates, special rates to blind persons, the clergy, and others.

MR. CARLSON. Mr. President, will the Senator yield?

MR. SMATHERS. I yield.

MR. CARLSON. I should like to ask one or two questions. I was on the floor on June 12 when the bill was passed. I thought I understood the proposed legislation then. As I understand the Senator's statement, the conferees have agreed upon a totally different bill. Is that correct?

MR. SMATHERS. The Senator is not correct in that statement. The conferees have agreed upon exactly the same bill that we passed, plus an amendment.

MR. CARLSON. It has the same number.

MR. SMATHERS. It has the same number and the same provisions which were passed on June 12, with one addition, and that addition refers to section 5 (a). What we are attempting to do is to state that in 1948, when the Reed-Bulwinkle bill was passed, it was intended that these provisions should protect the railroads in making rates in concert not only to the business community, but to the Government as well. That seems to be everyone's interpretation.

MR. CARLSON. I should like to propound one more question. Did I correctly understand the Senator to say that

he feels it is necessary to adopt the provisions as passed by the House, or there will be no legislation enacted this year, and that the Committee on Interstate and Foreign Commerce will look at the whole program?

MR. SMATHERS. I will answer the Senator in the affirmative. The Senator is correct. We believe, unless we take this step, there will be enacted no legislation with respect to immunizing the railroads, temporarily at least, from the decision of the district court. It is also indicated in the House report and in statements we have made that we believe the matter is of sufficient importance to go into thoroughly next year.

MR. CARLSON. I have a very high regard for the Senator who has submitted this conference report to the Senate. I am sure that will be the view of the committee.

MR. SMATHERS. I should like to suggest one other point. We also provide that any lawsuits which are now pending will not in any way be prejudiced by the conference bill, if it is enacted. We do not intend that that shall be the case.

There is one other point I should like to make. In the course of the hearings the conferees were all determined that the nonscheduled airlines, which at the present time are not permitted the same equal opportunity to compete for section 22 business as are the railroads and motor carriers, will at the first opportunity be placed on an equal competitive basis.

MR. KNOWLAND. Mr. President, will the Senator yield?

MR. SMATHERS. I yield.

MR. KNOWLAND. I wish to inquire as to the parliamentary situation. As I understand, the Senator from Florida is not asking for a vote on the conference report tonight, but that it will be taken up tomorrow. Is that correct?

MR. SMATHERS. The Senator is correct.

MR. KNOWLAND. Has the Senator completed his statement? I was going to ask unanimous consent to make an insertion in the RECORD.

MR. MAGNUSON. Mr. President, will the Senator yield?

MR. SMATHERS. I shall yield first to the Senator from Washington.

MR. MAGNUSON. The Senator from Florida has stated the proposition very clearly and concisely. The situation before us is not to the liking of the committee involved. However, it so happens that it has been brought about by a court decision. In the meantime all we are trying to do is to keep matters in status quo. The nonscheduled airlines have most of the business, anyway. I can assure the Senator from Kansas that it is of sufficient importance to all of us on the committee, including my distinguished friend, the Senator from Kansas, who is a member of the Surface Transportation Subcommittee, that it is a matter which we must take care of in January. In the meantime we will keep matters in status quo, so that the Government will not lose this great amount of money.

Mr. SMATHERS. The Senator is correct.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. SPARKMAN. I wish to ask the Senator if I am correct in my understanding that it is not intended to have further discussion of the conference report today, but to wait until tomorrow to discuss the merits of the report?

I heard the response of the Senator to the Senator from California that there would be no vote on it tonight. As a matter of fact, I recognize the importance of the subject and the situation we are in at the present time. Nevertheless I believe it is a very serious question that ought to be discussed thoroughly before the conference report is agreed to.

If it is the intention to carry over the debate on the conference report until tomorrow, I do not care to engage in any discussion of it at this time. However, I do not want to be precluded from discussing it. As a matter of fact, it seems to me that what we are trying to do is offset a Supreme Court decision involving an antitrust situation.

Mr. SMATHERS. A district court decision.

Mr. SPARKMAN. Yes; a district court decision, pending on appeal to the Supreme Court. It is an attempt to offset that decision by proceeding with a piece of legislation which is based upon not one single day's hearing before a committee of either the House or the Senate. It is a very serious matter. Regardless of whether the conference report is voted up or down, the Senate ought to know what it is voting on. We have had matters similar to this considered before, and I can quote some of the ablest Members of the Senate on this subject, going back to the days of the Reed-Bulwinkle bill, when southern Senators waged a fight for fair rate systems.

At that time the question arose about an effort to try to stop a court decision involving antitrust proceedings.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. SPARKMAN. The Senator from Florida has the floor.

Mr. SMATHERS. I yield.

Mr. KNOWLAND. I merely wish to say that I am sure there was no implication in what the Senator from Florida said, and certainly not in what the minority leader said in addressing the inquiry to the Senator from Florida, that it is the intention to close off discussion. To the contrary, I understand the Senator from Kansas and other Senators on both sides of the aisle will be prepared to discuss the subject before the report comes to a vote. Earlier in the day it was thought that the matter might be taken up and voted on tonight.

Mr. SMATHERS. I thank the Senator for his statement. Apparently the Senator from Alabama was not on the floor when I began my remarks.

Mr. SPARKMAN. No; I was not.

Mr. SMATHERS. I said we regretted the situation. We regretted the fact that we had had not so much as 1 day's hearing on the matter, and that we did not hear 1 witness testify before the commit-

tee. However, we face a situation involving a threatened cost to the Government of \$100 million. Therefore we are attempting to keep matters in status quo, at least until such time as the Supreme Court enters a decision in the case, or until possibly the Senator from Alabama or some other interested Senator introduces proposed legislation at the beginning of the next session, when we will be able to look into the matter thoroughly.

Mr. SPARKMAN. Let me say, first of all, that I did not intend to imply that anyone was trying to railroad through this conference report. I wanted to be certain that we would have an opportunity to discuss it tomorrow. I wanted to serve notice how serious and important this matter was. I feel that we ought to have a thorough discussion of it, because if there is one question confronting the this matter is. I feel that we ought to be very careful, indeed, it is the question of antitrust and monopolistic tendencies.

Mr. MAGNUSON. I wish to say that the Senator from Florida was very frank in his statement.

Mr. SPARKMAN. I did not mean to imply otherwise. I wanted to have it clear in my own mind.

Mr. MAGNUSON. This is a very unusual problem with which we are faced. The situation certainly is unusual. I have never seen quite such a situation arise before. The Senator from Florida, I believe, feels just as keenly about it as anyone else.

Mr. SPARKMAN. I know he does. I have talked to him about it.

Mr. SMATHERS. I agree with the Senator from Alabama that it is a matter of tremendous importance. Tomorrow I am hopeful the Senator from Ohio, the Senator from Kansas, the Senator from Connecticut, and other members of the conference committee will have something to say about it. We feel on the subject exactly as does the Senator from Alabama, but we did not know which way to turn. We believe we have arrived at the most practical solution in the light of all the circumstances. We shall have a debate on the report tomorrow.

Mr. COOPER. Mr. President, will the Senator from Florida yield?

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Florida yield to the Senator from Kentucky?

Mr. SMATHERS. I yield.

Mr. COOPER. I understand the conference report will be debated further on tomorrow.

I should like to ask a question, so it may appear in the RECORD, and so it may be the subject of some thought between now and tomorrow, because I have received a number of communications about the bill.

What is the judgment of the Senator as to the effect of the new provision upon the prosecution of any appeal from the decision of the district court? In other words, does this addition of the amendment which has been agreed to make that issue moot, insofar as any further determination by the courts is concerned?

Mr. SMATHERS. I would say to the Senator from Kentucky that we have included in the conference report bill the following words:

Provided, That nothing in this paragraph shall affect any law or cause of action which may have accrued prior to the date on which this paragraph takes effect.

Furthermore, the House, in its report, went further, and stated that it was not its intention in any way to affect any cause of action which any person or any corporation might have had prior to the enactment of this measure, or in any way to affect any rights which might accrue to them in the future. And that is our intention.

Mr. COOPER. I am not arguing about the merits of what the committee has done. But I think this is a very important legal matter. Any provision enacted by Congress is the law; and regardless of whatever a committee may state or regardless of whatever may be stated on the floor of the Senate, if the provision in itself is clear, it seems to me that statements included in the report or made on the floor could not affect the meaning of the actual provision of law. I want to state that for the RECORD.

Mr. SMATHERS. I appreciate the statement the Senator from Kentucky has made. In the case of the recent decision of the district court, apparently it placed a great deal of reliance on what had been said on the floor in respect to the Reed-Bulwinkle bill, in 1948.

Mr. COOPER. I may say that I voted for the Bulwinkle bill.

Mr. SMATHERS. We hope the record we are making here will preserve any legal right which any such person or corporation had before, or any right which may accrue in the future.

Mr. COOPER. I think that is a very important issue.

AUTHORIZATION FOR SELECT COMMITTEE ON SMALL BUSINESS TO FILE A REPORT

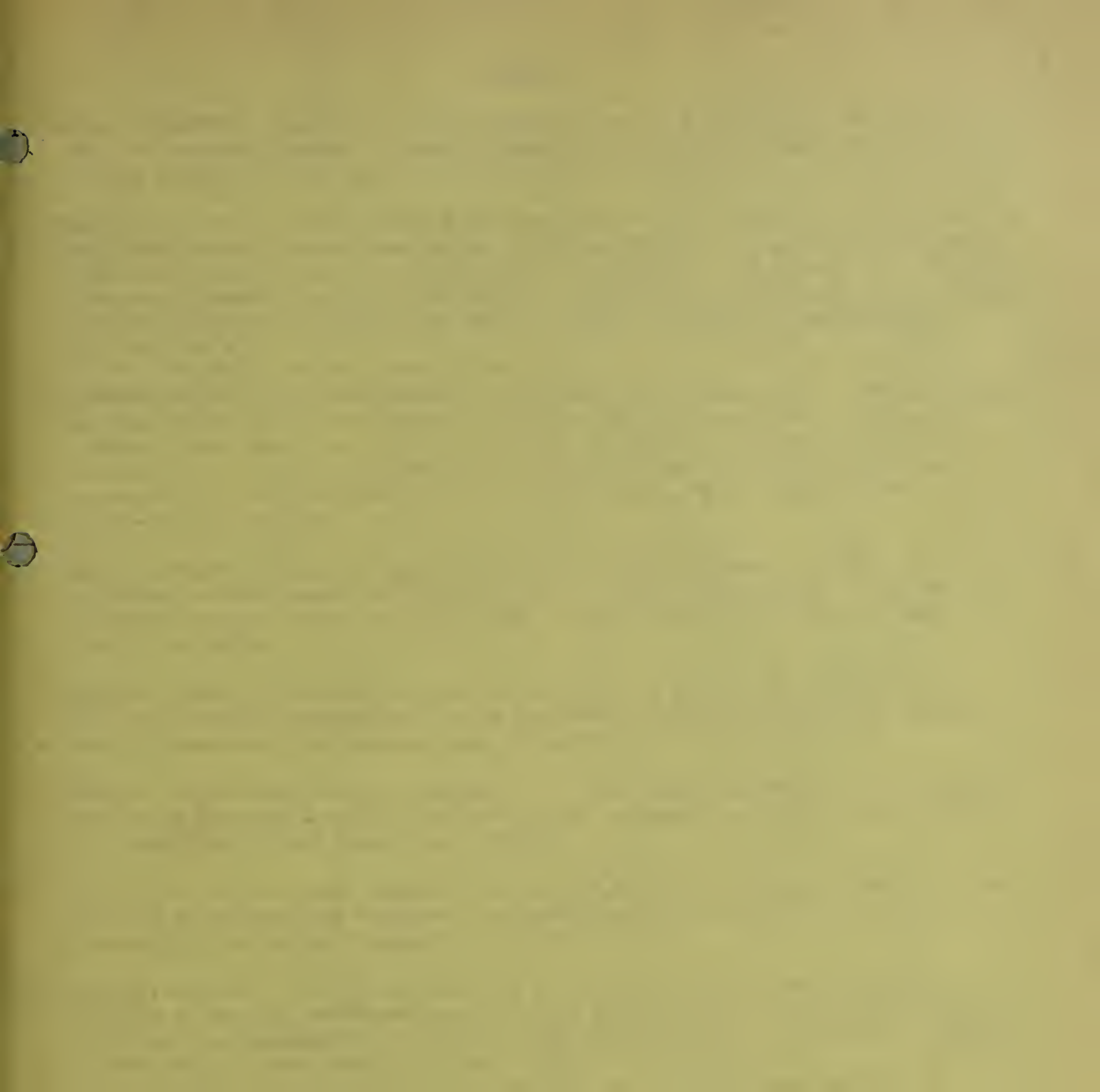
Mr. SMATHERS. Mr. President, I ask unanimous consent that the Select Committee on Small Business be authorized during the adjournment of the first session of the 85th Congress, to file with the Secretary of the Senate a report entitled "Small Business in the Government Procurement of Property, 1957," and that the report be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

IMPLEMENTATION OF TREATY WITH REPUBLIC OF PANAMA—CONFERENCE REPORT

Mr. MAGNUSON. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6709) to implement a treaty and agreement with the Republic of Panama and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. CLARK in the chair). The report will be read, for the information of the Senate.



Aug. 21, 1957

SENATE

13. WATER RESOURCES. The Public Works Committee ordered reported S.Res. 148, to require certain reports on water resource development projects and stating Senate policy on water resource conservation. p. D811
14. REA LOANS. Sen. Morton inserted the Secretary's press conference remarks on REA loan authorities and the Reorganization Act. Sen. Humphrey charged that "the Secretary has not kept his word," and urged him to appear before the Government Operations Committee, which, Sen. Morton pointed out, the Secretary had said he would be glad to do when Mr. Hamil returned to Washington. pp. 14106-8
15. TRANSPORTATION. Continued debate on the conference report on S. 939, relating to the rendering of transportation services to the Government at free or reduced rates under Sec. 22 of the ICC Act. Without objection it was put aside for four hours of debate Thurs., Aug. 22, on Sen. Kefauver's motion to postpone consideration until Jan. 30, 1958. pp. 14083, 14091, 14094, 14099-14103, 14108-23
16. SCHOOL LUNCHES. The D.C. Committee reported with amendment S. 1764, to authorize reimbursement of the D.C. Public School Food Services Fund for lunches served in accordance with the National School Lunch Act (S. Rept. 1077). p. 14059
17. FORESTS. Sen. Wiley urged passage of S. 2131, to extend the date for terminating Federal supervision of the Menominee Indians to 1961, and inserted various communications urging such an extension. pp. 14061-2
18. HOUSING. Concurred, with an amendment, in the House amendment on H.R. 4602, to encourage new residential construction for veterans' housing in rural areas and small cities and towns. pp. 14091-3
19. ROADS. The Daily Digest states that the Public Works Committee voted to table S. 963, to promote the control of advertising along the National System of Interstate and Defense Highways." p. D811
20. ELECTRIFICATION. Sen. Morse inserted an editorial criticizing a magazine article on Pacific Northwest power, and a letter stating that the public power-natural resources development fight would continue despite the defeat of the Hells Canyon dam bill. pp. 14070-1
Sen. Morse inserted an editorial stating that the power-partnership principle was moribund. p. 14082
21. INTEREST RATES. Sen. Morse inserted a column by Sen. Neuberger criticizing the administration's policies on interest rates. p. 14071
22. FOREIGN TRADE. Received from the Commerce Department a report on export control for the second quarter of 1957. pp. 14057-8
Sen. Wiley inserted a letter and enclosure on the importance of maritime trade for the economy of Wis., stating that a third of the State's total employment is directly or indirectly affected by world trade. p. 14063
23. PERSONNEL. S. 25, to make wage board employee pay raises effective retroactive to 30 days after a wage rate survey starts, was made the Senate's unfinished business. p. 14139

24. GOVERNMENT COMPETITION. S. Rept. 1015, by the Small Business Committee, includes the following: "Your committee recommends....

"That all Government agencies abstain from initiating any commercial activity and expedite the discontinuance of any such activity already engaged in which provides a product or service for Government use when such product or service may be obtained, with reasonable convenience, in like quality and quantity at a fair and reasonable price, through ordinary business channels. Exception should be made only when it is clearly demonstrated that the public interest is better served.

"Your committee hopes that the administration, through the Budget Bureau and appropriate Cabinet officers, will lend its influence to obtain the full cooperation of all Government agencies in carrying out your committee's recommendation. In this respect, your committee is encouraged by recent policy pronouncements of the Bureau of the Budget."

ITEMS IN APPENDIX

25. FARM PROGRAM. Sen. Langer inserted 2 radio roundups prepared by the public relations department of the Farmers Union Grain Terminal Ass'n discussing farm problems. pp. A6870-1
26. CONTRACTS. Sen. Thurmond inserted an editorial, "Let's Stick to Competitive Bids," in favor of his bill S. 5, which would prevent the channeling of Government contracts to labor-surplus areas. p. A6871
27. ELECTRIFICATION; WATER RESOURCES. Extension of remarks of Rep. Roberts describing the development of waterways in Ala. and inserting an editorial pointing up the value of such programs. pp. A6811-2
28. FOREIGN AID. Rep. Wigglesworth inserted the testimony of the Secretary of State and of Admiral Radford before the S. Appropriations Committee in support of the mutual security program. pp. A6872-3, A6873
Extension of remarks of Rep. Minshall opposing foreign aid and inserting 2 editorials on this subject. pp. A6907-8
Rep. Wigglesworth inserted an article, "Senate's Chance to Aid United States Security," which suggests that the Senate has an opportunity to act strongly in support of the "security" of the U.S. in approving mutual security funds. pp. A6912-3
29. GRAINS. Sen. Thye inserted an article, "Cargill: 92 Years as 'Servants to Agriculture'", describing the founding, development, and operations of the Nation's largest grain-handling firm. pp. A6876-8
30. FIRE ANTS. Extension of remarks of Rep. Roberts urging immediate action toward the eradication of the fire ant, and stating that "up until now, USDA has dragged its feet on this program..." p. A6884
31. FEDERAL AID. Extension of remarks of Rep. Sisk criticizing alleged statements by Rep. Alger to the effect that Dallas, Tex. "does not want, and does not accept, Federal funds," and stating that "the idea is so false and misleading I am almost willing to ask the FTC to investigate it as unfair advertising." pp. A6887-9
32. COTTON. Rep. Rhodes inserted an editorial, "Cotton Treadmill," commending this Department's cotton disposal program and stating "it is obvious that the Benson program is getting somewhere." pp. A6906-7

and flourish which was his, it is difficult to see him as a barefoot "cracker" boy doing the chores on a small tenant farm in Georgia. It is easy, however, to chuckle at his own estimate that in his barefoot childhood he had more than 100 stumped toes and that he learned on the first one not to cry.

It is hard for me to imagine him in a country school, but easy to recognize that he would have stood at the top of his class there; hard to realize that he had to earn much of his way through Mercer University and law school, by teaching, but easy to visualize the ferocity and stubbornness with which he later fought his lawsuits, even though he rode to town bareback on a mule. He became solicitor general for his judicial circuit, married the fine woman we know as Miss Lucy, and became the father of two boys.

The rest is history. I remember a paragraph from one of his biographies:

Rapidly young Walter rose * * * never so much a brilliant, as a majestically calm and patient superior court judge, a methodical, carefully correct member of the court of appeals, a fair and learned justice of the Georgia Supreme Court.

GEORGE SOUGHT PEACE

We know his record in the Senate. He started quietly and slowly but somehow moved fast. There is a monument in Vienna, Ga., which signals the fight he made in 1929 to pass the Vocational Education Act which bears his name. He was identified with much tax, farm, social security, and veterans' legislation. In 1928, he was proposed for President of the United States as a Georgia favorite son. In 1938 he successfully resisted a Presidential attempt to purge him for his stand on the Supreme Court plan.

It was in the foreign relations field that Walter Franklin George reached his greatest heights. Under both Democratic and Republican Presidents, he exerted an important influence in the Senate and in the Nation toward an understanding, and the full implementation of this country's increasing role of leadership and responsibility in the world.

We were sorry to see him leave the Senate last year, but proud of his new role as a Presidential representative to NATO. Now we must say another sorrowful farewell, with gratitude, however, that Walter George served here among us.

Mr. President, I ask unanimous consent to have printed in the RECORD an article from the Tulsa (Okla.) Daily World of August 6, 1957.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SENATOR WALTER F. GEORGE

The Nation does not readily grant the term "statesman" to its political leaders. Singularly few in recent decades have been given this lofty recognition. One of few was former Senator Walter F. George who died at the age of 79 years in his home in Vienna, Ga.

The Georgian has been a figure of integrity, courage, and intelligence in the United States Senate for 34 years. His distinguished career came to an end as he was serving as special Presidential Ambassador to the North Atlantic Treaty Organization.

President Eisenhower and leaders of the Democratic and Republican Parties alike spoke in unstinted terms of their high respect for Mr. George. The Senator was a man who rose completely above partisan politics. It was as chairman of the Foreign Relations Committee that he climaxed his Senate service. In this capacity he was credited with major contributions to the success of the foreign policy pronounced by Mr. Eisenhower as the Nation's first Republican President in 28 years.

Walter F. George has earned the Nation's respect and gratitude.

CONFERENCE REPORT ON S. 939, TO AMEND SECTION 22 OF THE INTERSTATE COMMERCE ACT, AS AMENDED

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

The Chair lays before the Senate the pending business, which will be stated for the information of the Senate.

The LEGISLATIVE CLERK. The conference report on S. 939, to amend section 22 of the Interstate Commerce Act, as amended.

Mr. KENNEDY obtained the floor.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator from Massachusetts may yield to me for the purpose of suggesting the absence of a quorum, without the Senator losing his right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Massachusetts [Mr. KENNEDY] is recognized.

THE STRUGGLE AGAINST IMPERIALISM, PART II—POLAND AND EASTERN EUROPE

Mr. KENNEDY. Mr. President, in my address to this body on July 2, I spoke of man's eternal desire to be free and independent, of the continuing clash between the forces of freedom and the forces of imperialism, and of the critical challenge which this overriding issue presented to American foreign policy today. I spoke in that context of the handicap to our prestige created by what is regarded as Western imperialism, and specifically of the critical impasse in Algeria. Without attempting to equate Western and Soviet imperialism, I indicated at that time my intention to examine, in a two-part series of speeches, the role of our foreign policy in the continuing struggles between the forces of imperialism and independence within both the Soviet and Western Worlds. Having discussed in that address the complex problems of Western imperial-

ism and Algeria, I desire to turn now to the problems posed by the evil of Soviet imperialism.

Just as the challenge of Western imperialism is most critically confronting us in Algeria and North Africa, so, too, does the challenge of Soviet imperialism confront American foreign policy today in one critical area in particular—Eastern Europe and Poland.

The Soviets, of course, regard their actions in Eastern Europe much as the French regard their actions in Africa—as none of our affair. Our own Department of State and diplomatic officials are also likely to regard congressional discussion of these vital world issues as a trespass upon their private domain.

I am strongly persuaded that the inadequacies of current American foreign policies and programs concerning Poland and Eastern Europe require their public review and reexamination by the Senate, the Congress and the people of the United States—not to assign the blame for our past failures, but to explore what steps might be taken to increase the future effectiveness of our foreign policy in this area.

OUR GOALS AND APPROACH IN EASTERN EUROPE

I realize that it is not difficult to make a popular speech on Poland and Eastern Europe. It is easy to denounce the treachery of Yalta; to call upon the enslaved millions to cast off their chains; to decry Soviet brutality and greed; and to predict eventual deliverance of those nations now held captive behind the Iron Curtain. If necessary, it can even be easy to favor American aid—to be delivered only to those satellite nations that become truly independent, or that join an anti-Russian alliance, or that abandon national communism—or to be limited to emergency relief or surplus foods, with its distribution in each village carefully supervised by American observers to guaranty its delivery to the needy and the starving alone.

But such a speech, however plausible it may seem in its oratorical or political context, only makes it more difficult to take the hard decisions and real risks necessary in any effective policy for Eastern Europe. We are reluctant to take risks in this dangerous age; we are reluctant to make hard and unpopular decisions in this popular democracy. But the complex problems of Eastern Europe—the area which at one and the same time represents a great Western setback and a great western hope—will never be solved with an excess of caution or an avoidance of risk.

It is baffling beyond words to review that so-called liberation policy which this administration has proclaimed and on which it has taken patent rights. In several speeches in 1952 Mr. Dulles sought to shed light on a new liberation policy which would replace the supposed sterilities of containment. For example, in a prepared address before a learned gathering in Buffalo on August 27, 1952 Mr. Dulles elaborated a three-pronged program for the freeing of the Iron Curtain satellites. In this speech he emphasized that the Voice of America and other agencies should stir up the resist-

ance spirit of peoples behind the Iron Curtain and make certain that they have the assurance of our moral backing. He went on to say that resistance movements would spring up among patriots who "would be supplied and integrated via air drops and other communications from private organizations like the Committee for Free Europe." Finally, he underscored his now-familiar thesis that the Communists would disintegrate from within and that the Russian's, "preoccupied with their own problems, would cease aggressive actions" and eventually give up and go home "realizing that they had swallowed more than they could digest."

Four years later, on October 29, 1956, the distinguished Vice President announced confidently at Occidental College that the Soviet setback in Poland and Hungary proved the soundness of the administration's liberation policy. A little more than 2 weeks later on November 14 the President, in a prepared preface to his press conference, spoke of our sympathy for the suffering people of Hungary—"Our hearts have gone out to them and we have done everything it is possible to, in the way of alleviating suffering." "But," he continued, "the United States doesn't now, and never has, advocated open rebellion by an undefended populace against force over which they could not possibly prevail." One needs little imagination to appreciate the feeling of frustration which overcame the people of Eastern Europe to hear that the United States had never meant the obvious implications of its liberation policy.

It is all very well to talk of liberation or peaceful evolution. But until we formulate a program of concrete steps as to what this Nation can do to help achieve such goals, we are offering those still hopeful partisans of freedom behind the Iron Curtain nothing but empty oratory.

AMERICAN POLICY TODAY

I respectfully suggest that the last comprehensive review of our policies with respect to the satellite areas by the Secretary of State failed to provide the specific steps necessary to implement his rhetorical goal of liberation. In that address of April 23 in New York, Mr. Dulles outlined, as I analyzed his speech, six steps as constituting our approach to liberation:

- (1) Provide an example which demonstrates the blessings of liberty, and spread knowledge of that around the world, through our information and cultural exchange programs.
- (2) See to it that the divided or captive nations know that they are not forgotten through such means, for example, as sponsoring a U. N. resolution condemning Soviet intervention in Hungary.
- (3) Never make a political settlement at their expense.
- (4) Revere and honor those who as martyrs gave their blood for freedom * * * but do not * * * incite violent revolt.
- (5) Make apparent to the Soviet rulers (that) our real purpose in liberation is peace and freedom and not the encirclement of Russia with hostile forces.
- (6) Encourage evolution to freedom * * * and when some steps are made toward independence * * * show a readiness to respond with friendly acts * * * see to it that the

divided or captive nations know * * * that a heartfelt welcome and new opportunity await them as they gain more freedom.

This policy, if it can be called a policy, is easily stated and even more easily implemented. It requires practically no risk, no cost, no thought, and very little explanation. Its contents are neither new nor tangible, and its results in terms of helping liberate Eastern Europe are speculative, to say the least.

The key to our present policy, I believe, is found in the sixth and final item I quoted from the Secretary's address. We will "show a readiness to respond with friendly acts," with "a heartfelt welcome and new opportunity," whatever that may mean, only "as they gain more freedom and some steps are made toward independence," not before. No suggestion is made as to what we might do, in the way of positive and concrete diplomacy, to help them take those steps and gain that freedom.

I believe it is this status quo policy which has stultified all discussion of new proposals for the area—the terms under which withdrawal of Soviet troops from Eastern Europe might be arranged, Hungary neutralized, or Germany united—proposals which merit more careful analysis than they have been given. It is this approach of broad generalizations and platitudes that treats all European satellites alike, without regard to anti-Russian and anti-Slav traditions—as in Rumania—higher rates of industrialization and living standards—as in Czechoslovakia—and other distinguishing characteristics that lend themselves to individual approaches. And finally, it is this attitude, of merely waiting and hoping, that caused us to be caught wholly unprepared for the events in Poland and Hungary last October.

POLAND TODAY

I shall limit my discussion today to Poland, because that is the area of both our greatest failures and our greatest hope, and the area most urgently demanding a reexamination of our current policies. I make no claim that Poland is a typical example of Eastern Europe. On the contrary, it would be dangerously erroneous to assume that our policies and programs for that area may be applied generally behind the Iron Curtain. But the nature and success of our relations with Poland—like a wind, good or ill, that blows through the only open window in a vast and crowded prison—will vitally affect the future, the hope or despair, of every satellite country.

The most important fact about Poland today is that it is different, however easy it may be to dismiss it as just another Communist country. To be sure, it is still in many outward appearances a Communist regime. There are many magnetic pulls toward the Soviet orbit; Russian soldiers still patrol in the country; antiwestern sentiments in the U. N. are supported by Polish representatives. But it is essential that we look deeper than the labels of communism. Terrorism and thought control have very much diminished; public opinion, very markedly anti-Communist and always anti-Soviet, is influential; and at least a precarious working ac-

commodation has been reached with the Catholic Church in Poland under Cardinal Wyszynski. Visitors in Poland note practically no Red flags and feel little of the inquisitorial pressure that has characterized most of the Iron Curtain countries. We must be very careful not to miss the internal realities of the Polish scene while looking at the outward and legal forms.

Moreover, Mr. President, there has been an increasing decentralization of agriculture. The denationalization and decentralization of industry has not been nearly as effective, but in April the Polish Parliament approved a new budget and economic plan to slacken the rate of heavy industrial expansion and raise the living standards. And perhaps most telling of all, the Polish Government last fall turned for the first time toward the West—for friendship, for increased trade, and for American credit and economic assistance.

This economic assistance was made urgent by the cruel and corrosive results of Communist mismanagement, inefficiency, and exploitation. Absentee Soviet centralization and nationalization resulted only in lower productivity, widespread raw material deficits, both labor shortages and surpluses, and increasing uselessness and obsolescence of machinery. At the moment, the unemployment problem is assuming critical proportions. This provides melancholy testimony as to the ability of a directed Communist economy to cure dislocations, maintain planning goals, and allocate raw materials—supposedly the peculiar virtues of a Socialist state. The attempt to force a heavy industrialization and rearmament program too rapidly upon an economy milked dry by Soviet demands resulted in drastic shortages of consumer goods and housing, spiraling inflation, and a raging black market. It is no wonder that, without decent living standards, adequate housing or fuel, and ravaged by tuberculosis and other diseases, the Polish people turned rumbling discontent into a violent roar at Poznan, and finally last October insisted upon the new anti-Stalinist regime of Mr. Gomulka.

THE UNITED STATES RESPONSE TO POLAND: THE LOAN AGREEMENT

But it is not my intention today to dwell on Soviet brutality or Polish bravery—for I am sure this body is well aware of both—but to examine instead the response of our own foreign policy-makers to the Polish crisis and our preparedness to meet this problem.

The adequacy of that response ought to be reviewed by the Congress now, even after the Polish loan agreement has been concluded—not for purposes of distributing credit or blame, but for purposes of revising our policies and statutes for the future. In my opinion, revision will definitely be in order—for the loan agreement of last June for American aid to Poland can unfortunately be summed up in only five words—too little and too late.

I do not mean to say that that agreement was worse than no agreement at all, that it will accomplish nothing, or

ting. Though chances for a general European and German settlement are not at the moment bright, we must not foreclose possibilities when they present themselves. New policies and proposals for troop withdrawals, disarmament, and neutralization must receive our careful consideration. Moreover, the effect of our present policies—our failure to outlaw genocide, the inadequacy of our assistance to refugees, escapees, and repatriates—must be reexamined.

Especially, we cannot honestly overlook the close connections between our policies toward Germany and those toward Poland. Though I agree in very wide measure with the policies of our Government toward Germany under both Democratic and Republican administrations, there is, I think, a danger that the very unanimity of support which they have enjoyed makes them a little too rigid and unyielding to changing currents in European politics. The United States has had every reason to rejoice in the statesmanship of Chancellor Adenauer and the impressive leadership he has given in shaping the new German democracy. But I do think that the United States, in assessing this achievement, has in its public statements and in the more informal workings of its diplomacy unduly neglected the contribution of the democratic opposition, the German Socialists, whose resistance to communism has been stalwart and who may someday become a part of a German Government with whom we shall be allies. Especially in Eastern Europe, it has not been to our interest to make pariahs of the German Social Democrats.

Chancellor Adenauer on August 4 gave public voice to the rising realization that there will soon have to be an exchange of recognition between Western Germany and Poland, despite the unfortunate fact that all the countries of Eastern Europe recognize also the Communist regime of Eastern Germany. There is already substantial trade between Western Germany and Poland, and we should seek to clarify the benefits of an exchange of political recognition between the two countries.

I realize that this raises some collateral issues of great complexity—particularly the question of the Polish western borders and the German eastern territories which the Potsdam Agreement passed under Polish administration. This question, perhaps, more than any other, serves to create gravitational pulls in Poland toward Russia. It is not possible or proper to freeze the legal status of these territories until there has been a final peace conference. The German Foreign Minister, Dr. von Brentano, asserted last December 14 that this was an issue which could be worked out in a European spirit and that there are possibilities for negotiation. One former High Commissioner in Germany, John McCloy, a distinguished Republican who ably served the United States and the cause of the new Germany, has likewise pointed to the danger of failing to determine the future of these territories. This is not a matter on which the United States should impose a settlement, but we can encourage the many reasonable

voices in all parties who have recognized the need in Germany to press toward an accommodation of this dispute. Fortunately, with full employment and a sustained prosperity in Western Germany, this is a matter which is less charged with emotional asperities than it was some years ago. It is certainly within the interests of the United States to adopt an attitude which accepts no settlement which has not been recognized by a free Polish nation. To say this is not, of course, to gloss over the fact that many Germans have suffered in these territories and that many expellees—especially the older ones—have not found happiness or even a tolerable existence in their new homes.

Finally, it is obvious that we should, where possible, avoid the minor irritants which can be magnified into national affronts. A small recent example was an action of the State Department in changing methods of issuing passports. Although perhaps meaningless to us, it was provoking to the Poles when the State Department altered the way in which the birthplace of persons born in the eastern territories is indicated. For nearly 12 years after the war, a person born in Breslau or Stettin was identified as having been born in Poland. This year the identification was changed to Germany—under Polish administration. Whatever the reasons for such an action, it only plays—at this date—into the hands of the U. S. S. R.

CONCLUSION

There is, Mr. President, no single pass-key to freedom in this program, no easy solution by which Poland can gain its freedom effortlessly or by simple counting on the internal erosion of the Soviet Union. Action and foresight are the only possible preludes to freedom. And there are, I repeat, obvious risks. There is a sardonic saying of a Polish exile that we might recall: "I wish," he said, "that Poland would become the world's business rather than the world's inspiration." We have too long covered a nakedness of policy with lofty phrases, which call attention to the glory of Poland, but hardly offer signposts to her salvation. Recent dispatches from Warsaw have made it all too clear that the brave people of Poland are still, even under present conditions, in a prison—however more tolerable their jailers may have become. But are we to ignore their needs because they cannot escape by one leap or by picking one lock? Is this an excuse for inaction? Have we forgotten the words—I was—

Hungry, and you gave me to eat;
Naked, and you covered me;
Sick, and you visited me;
I was in prison, and you came to me.

Mr. President, I introduce, for appropriate reference, a bill to authorize the President under certain conditions to permit the entering into of loan, grant, or other aid agreements with certain nations.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2828) to authorize the President under certain conditions to permit the entering into of loan, grant,

or other aid agreements with certain nations, introduced by Mr. KENNEDY, was received, read twice by its title, and referred to the Committee on Foreign Relations.

AMENDMENT OF SECTION 22 OF INTERSTATE COMMERCE ACT—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 939) to amend section 22 of the Interstate Commerce Act, as amended.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SMATHERS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SMATHERS. What is the question before the Senate?

The PRESIDING OFFICER. The question is on agreeing to the conference report on Senate bill 939.

Mr. SMATHERS. I thank the Chair.

I might state, for the information of the Senate, that the conferees are of the opinion that they are ready to vote. However, I have been advised that the Senator from Tennessee [Mr. KEFAUVER] desires to make some expression in opposition. I am of the opinion that the Senator from Alabama [Mr. SPARKMAN] also wants to make a record.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. SPARKMAN. There is a little matter with relation to the veterans' housing bill which I hope we can dispose of in a very short time. It is a matter of agreeing to a House amendment. That will give time to give notice to the Senator from Tennessee.

Mr. SMATHERS. Mr. President, I am happy to yield, with that understanding, to the Senator from Alabama.

HOUSING ACT OF 1957

Mr. SPARKMAN. Mr. President, there is on the Secretary's desk the bill, H. R. 4602, which passed the Senate recently. The Senate asked for a conference and appointed conferees. The House, instead of agreeing to a conference, accepted the bill with an amendment. It is apparent that in the amendment of the House the amount of authorization is greater than the Senate intended, in that it would be \$350 million. It seems to me the amount really intended was \$200 million.

I should like to move, Mr. President, that the Senate accept the amendment

of the House with an amendment which I will send to the desk and ask the clerk to state.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 4602, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
August 13, 1957.

Resolved, That the House agrees to the amendments of the Senate numbered 1, 2, 3, 4, 5, and 7 to the bill (H. R. 4602) entitled "An act to encourage new residential construction for veterans' housing in rural areas and small cities and towns by raising the maximum amount in which direct loans may be made from \$10,000 to \$13,500, to authorize advance financing commitments, to extend the direct loan program for veterans, and for other purposes."

That the House agrees to the amendment of the Senate numbered 6, with an amendment, as follows: Strike out the matter proposed to be stricken out by the Senate amendment and in lieu thereof insert the following:

"(c) Subsection (d) of such section 513 is amended (1) by striking out '1957' and inserting '1959'; (2) by inserting immediately after 'so advanced' the following: 'under this sentence'; and (3) by inserting immediately after the first sentence therein the following new sentence: 'The Secretary of the Treasury shall also advance to the Administrator from time to time until July 25, 1959, such additional sums as the Administrator may request (not in excess of the difference between the amounts advanced under this subsection after June 30, 1955, and the maximum amounts which could have been advanced upon the request of the Administrator after June 30, 1955, and before the date of the request).'"

Mr. SPARKMAN. Mr. President, I send to the desk an amendment to the amendment of the House to Senate amendment No. 6, and ask that it be stated by the clerk.

The PRESIDING OFFICER. The amendment to the House amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. In lieu of the language inserted by the House amendment to Senate amendment No. 6 it is proposed to insert the following:

(c) Subsection (d) of such section 513 is amended (1) by striking out "1957" and inserting "1958"; (2) by inserting immediately after "so advanced" the following "under this sentence"; and (3) by inserting immediately after the first sentence therein the following new sentence: "The Secretary of the Treasury shall also advance to the Administrator from time to time until July 25, 1958, such additional sums as the Administrator may request (not in excess of the difference between the amounts advanced under this subsection after June 30, 1955, and the maximum amounts which could have been advanced upon the request of the Administrator after June 30, 1955, and before the date of the request)."

Mr. SPARKMAN. Mr. President, I move that the Senate agree to the Senate amendment to the House amendment to Senate amendment No. 6.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from Ohio.

Mr. BRICKER. The suggestion of the Senator from Alabama is to the effect

that there will be added \$125 million to the sum which has already been authorized?

Mr. SPARKMAN. One hundred and fifty million dollars.

Mr. BRICKER. One hundred and fifty million dollars?

Mr. SPARKMAN. That is correct.

I may say to the Senator that is the amount which heretofore has been added automatically each year for which an extension was granted.

Mr. BRICKER. Each year, when an extension was made, it has automatically carried such an authorization from the original bill.

Mr. SPARKMAN. That has been true heretofore.

Mr. BRICKER. Mr. President, I should like to say to the Senator from Alabama that this is about the best which can be done under the circumstances. The House increased the authorization in the bill as passed by the Senate to, I believe, \$300 million.

Mr. SPARKMAN. Three hundred and fifty million dollars.

Mr. BRICKER. Which amount is entirely out of reason. There was a great deal of opposition, as the Senator knows, in the committee to any extension of the program. The necessity for the program, if there be one, arises from the unrealistic interest rate carried on the GI loans, which has practically dried up the market for GI money. The Government is now entering into the direct-lending field, which, I think, is unsound, except in those cases where it is necessary in a war or defense effort, or something of that kind.

I should like to see this matter go to conference, but I presume that such a delay would not accomplish a great deal.

Let me emphasize the fact that we are now approaching the ceiling on the debt limit. We are, by the action proposed, asked to add another \$150 million to the authorized expenditures of our Government, so that we will push the total debt amount that much closer to the debt ceiling.

I do not think any Member of the Senate wants to see an increase in the debt ceiling; I know the Senator from Ohio does not; although it may be necessary if the Government keeps on borrowing money and lending money, and going into this and that field, which I do not believe is essential or necessary at this time.

We have entered into a program by which interest rates are increasing, yet we have been unwilling either in the Senate or in the other body to increase the interest rates on the GI loans. If there is any reason for this at all, it is because that program has broken down simply because the Congress will not meet the practical situation and make a realistic reappraisal of the interest rates on the GI loans.

I am opposed to the action. I think the matter ought to go to conference and be worked out. On the other hand, I realize the Senate passed the bill, and possibly such action would not achieve a great deal.

Mr. SPARKMAN. Mr. President, I wish to say to the Senator from Ohio that I know he did not intend to leave

the impression that this is a new program.

Mr. BRICKER. The program has been carried on for many years, with the exception of 1 year when there was nothing appropriated and another year when only \$25 million was authorized.

Mr. SPARKMAN. I believe there has been a program every year since it started. The primary purpose is to reach veterans who live in rural and semirural areas in which mortgage money is not available. This program had that purpose in view even when the interest rate was the same on the GI and FHA loans.

Mr. BRICKER. These programs have a way of going up and up and up, and adding more and more to the debt which, in the final analysis, the general taxpayer has to carry. I do not feel that it is an essential program, because of the limited amount available and because there will have to be discrimination between the veterans who apply. I think the Senator realizes that there cannot be enough money to supply everybody, under the present market demand, with 4½ percent interest loans.

Mr. BUSH. Mr. President, will the Senator yield to me?

Mr. SPARKMAN. I yield to the Senator from Connecticut.

Mr. BUSH. I feel, Mr. President, very much as does my distinguished colleague, the Senator from Ohio [Mr. BRICKER], who has just expressed himself. This program originally was designed to attract the money of private investors to finance the home-building program. As the Senator from Ohio says, the fact that the Congress insists on keeping an unrealistic interest rate on the program has resulted in a disinclination of private investors to put up the money.

We now ask the Federal Government to buy up these mortgages to the extent that the Senator from Alabama recommends. I agree that we should not be doing so at this time.

The Senator from Ohio has pointed out that we must consider the debt limit. The authorized legal debt limit is under pressure. By the action proposed, we will authorize the expenditure of an additional \$150 million today, which is a potential \$150 million additional pressure against the debt limit, at a time when we should be trying, in my judgment, to reduce the budget so as to offer to the people next year some opportunity for a tax reduction.

I feel very unhappy about this procedure. I feel we are somewhat handcuffed by the situation we face. I do not propose to do very much more about it, but I wish to register my protest for the RECORD, and to state that this is not a sound way to conduct the program. If the interest rate had been raised to an amount comparable with the interest rates other citizens have to pay, I think the money could have been attracted to the program so that we would not be faced with the budgetary situation we confront today.

I thank the Senator very much for yielding to me.

Mr. LONG. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from Louisiana.

Mr. LONG. The RECORD should indicate that there are varying points of view on this matter.

I should like to make clear that in my judgment the Congress is not derelict in not raising interest rates for veterans' housing loans. If the Congress is derelict in its duty in any respect, it is derelict in not requiring the Federal Reserve Board to use its powers, which Congress delegated to the Board, in the national interest to hold down interest rates.

I believe that by the time the investigation of this matter is completed it will be established that the high interest rates and the so-called tight money policy are not doing what it has been claimed they would do, when it was said they would resist inflation. They are not stopping inflation. As a matter of fact, inflation is occurring in areas where this policy has practically no effect whatsoever.

However, the policy is penalizing the National Government by increasing the cost of Government \$1,250 million a year at the present time. If continued, the policy will increase the cost of Government more than \$4.5 billion a year. If applied to the private debt as well as the public debt, the result of the policy would be that those who must pay interest on borrowed money would have to pay an increased charge of \$15 billion a year. That is the same, in effect, as putting a tax on the poor for the benefit of those who are better fixed financially.

Many of us feel that if we are going to take any action it should not be an action to raise interest rates on a veteran's loan, but it should be an action which will make credit more freely available to all people who wish to buy homes on more reasonable terms—on terms which are in line with what we have had in the past.

The Senator knows as well as I do that housing starts at the present time are 20 percent below what they were about 18 months ago. We could have cleared many slums and could have built many new houses, more decent and fit for human use, in that period of time. The facilities, the labor, and the materials are available.

The Senator perhaps knows, as I know, that when we increase the cost of interest 1 percent, we increase the monthly mortgage payments by 10 percent. We increase the over-all cost of buying the house by 10 percent. Realizing all those consequences, some of us feel that while we need to go forward with home construction—and this bill will help—we are not prepared to vote to raise interest rates, because rather than raising them we ought to be doing something to bring them down.

Mr. SPARKMAN. Interest rates are not involved in the bill at all. I appreciate the remarks of the Senator from Louisiana, but there is no provision in the bill relating to interest rates, one way or the other.

Mr. LONG. The point is made that the bill is necessary because Congress has thus far declined to raise interest rates on veterans' loans. I wish to say for the RECORD that so far as I am concerned, I believe our effort should not

be directed toward increasing interest rates but toward reducing them.

Mr. SPARKMAN. I appreciate the remarks of the Senator from Louisiana.

I wish to make it clear that this law was in existence when interest rates were low. The program has gone forward at the rate of from about \$100 million to \$150 million a year. This is nothing new. It is simply an extension of the program for a year, with the provision of about the same amount of money we have provided heretofore. It is for the purpose of reaching those veterans who could not be reached, regardless of what the interest rates are, simply because mortgage money is not available in many rural communities.

Mr. LONG. There is one Senator who is not unhappy about voting to reduce interest rates.

Mr. JAVITS. Mr. President, I should like to express my support of the Senator from Alabama on this subject.

This measure is only making good the promise we made to veterans. I feel that we should not yield to the argument for higher interest rates. I have heard the figure of \$15 billion mentioned time and again as to the cost of higher interest rates; it must, of course be juxtaposed to what the American working man has been saved in terms of inflation which is probably a multiple \$15 billion.

However, low interest rates are characteristic of our vital economy and should be the norm. But, I do not think this is the place for that argument on interest rates. We promised the veteran a 4½-percent interest rate because of his special status, because he lost essential years of his earning power. I am for making good on our promise.

I think that is all the Senator from Alabama is doing in advocating giving the veteran a loan opportunity for housing. It is true that this bill would not greatly benefit my section of the country. In the large cities there are also great problems involved in raising money for mortgages. However, the bill would help to take the strain off the mortgage market to a certain extent. But whether it did or not, the point is that we are redeeming our promise to at least some of the veterans.

I am glad the Senator has brought about an accord to get this bill passed.

Mr. SPARKMAN. I thank the Senator from New York.

With further reference to the interest rates, I was quite pleased to read in the Wall Street Journal of yesterday that the Chairman of the Federal Reserve Board, William McChesney Martin, Jr., said he saw some glimmer of hope that interest rates would come down. I look forward to the day, let me say to the Senator from Louisiana, when that becomes a reality.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. LAUSCHE. I do not recall what the amount was that the Senate committee recommended to deal with this item.

Mr. SPARKMAN. In the Senate committee we recommended an extension of the program for 25 days, in order to

make it coterminous with the VA guaranty; and we provided \$50 million additional.

When the bill came to the floor of the Senate, the Senator from South Carolina [Mr. THURMOND] representing the entire Labor and Public Welfare Committee, offered an amendment to extend the VA program by another year, and we extended this program for another year, to make it coterminous.

All we are seeking to do is to ratify the appropriation of \$150 million, which ordinarily would have been for the full year.

The House, in its amendment, voted not only that amount, but an additional \$150 million. We are asking that the bill be sent back to the House carrying a figure of \$200 million, rather than \$350 million.

Mr. LAUSCHE. I thank the Senator. The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Alabama that the Senate agree to the Senate amendment to House amendment to Senate amendment No. 6.

The motion was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the joint resolution (S. J. Res. 96) to authorize establishment of the U. S. S. Enterprise (CV-6) in the Nation's Capital as a memorial museum.

The message also announced that the House insisted upon its amendment to the bill (S. 1791) to further amend the Reorganization Act of 1949, as amended, so that such act will apply to reorganization plans transmitted to the Congress at any time before June 1, 1959, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Dawson of Illinois, Mr. CHUDOFF, Mr. BROOKS of Texas, Mr. MOSS, Mrs. HARDEN, Mr. BROWN of Ohio, and Mr. MICHEL were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1937) to authorize the construction, maintenance, and operation by the Armory Board of the District of Columbia of a stadium in the District of Columbia, and for other purposes; insisted upon its disagreement to said amendments, asked a further conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. McMILLAN, Mr. HARRIS, Mr. TEAGUE of Texas, Mr. SIMPSON of Illinois, and Mr. O'HARA of Minnesota were appointed managers on the part of the House at the further conference.

The message also announced that the House had agreed to the amendments of

the Senate to each of the following bills of the House:

H. R. 2741. An act to authorize and direct the Administrator of Veterans' Affairs to convey certain lands of the United States to the Hermann Hospital Estate, Houston, Tex.; and

H. R. 8005. An act to provide for the conveyance of an interest of the United States in and to fissionable materials in a tract of land in the county of Cook, and State of Illinois.

The message further announced that the House had severally agreed to the amendment of the Senate to the following bills of the House:

H. R. 3658. An act to liberalize certain criteria for determining eligibility of widows for benefits;

H. R. 6952. An act to authorize the transfer of naval vessels to friendly foreign countries; and

H. R. 7697. An act to provide additional facilities necessary for the administration and training of units of the reserve components of the Armed Forces of the United States.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

H. R. 1652. An act for the relief of Rajka Markovic and Krunoslav Markovic;

H. R. 1797. An act for the relief of Maria Sausa and Gregorio Sausa;

H. R. 2058. An act for the relief of the Franklin Institute of the State of Pennsylvania;

H. R. 2237. An act authorizing the transfer of certain property of the Veterans' Administration (in Johnson City, Tenn.) to Johnson City National Farm Loan Association and the East Tennessee Production Credit Association, local units of the Farm Credit Administration;

H. R. 2354. An act for the relief of the estate of Leatha Horn;

H. R. 2816. An act to provide for the conveyance of Esler Field, La., to the parish of Rapides in the State of Louisiana, and for other purposes;

H. R. 5757. An act to increase the maximum amount payable by the Veterans' Administration for mailing or shipping charges of personal property left by any deceased veteran on Veterans' Administration property;

H. R. 5807. An act to amend further and make permanent the Missing Persons Act, as amended;

H. R. 6521. An act to modify section 3 of the Act of June 30, 1945 (59 Stat. 265);

H. R. 7825. An act to exempt from taxation certain property of the B'nai B'rith Henry Monsky Foundation, in the District of Columbia;

H. R. 8429. An act to amend the Vocational Rehabilitation Act;

H. R. 8586. An act for the relief of Pasquale Pratola;

H. R. 9188. An act to amend the act to authorize the Secretary of the Navy to transfer to the Commonwealth of Massachusetts certain lands and improvements comprising the Castle Island terminal facility at South Boston in exchange for certain other lands;

H. J. Res. 354. An act to authorize the designation of October 19, 1957, as National Olympic Day;

H. J. Res. 367. An act to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens;

H. J. Res. 370. An act to extend the time limit for the Secretary of Commerce to sell

certain war-built vessels for utilization on essential trade routes 3 and 4;

H. J. Res. 393. An act to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain persons;

H. J. Res. 404. An act providing for the recognition and endorsement of the second world metallurgical congress;

H. J. Res. 408. An act authorizing the President to invite the States of the Union and foreign countries to participate in the St. Lawrence seaway celebration to be held in Chicago, Ill., from January 1, 1959, to December 31, 1959; and

H. J. Res. 410. An act to facilitate the admission into the United States of certain aliens.

AMENDMENT OF SECTION 22 OF THE INTERSTATE COMMERCE ACT—CONFERENCE REPORT

The Senate resumed consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 939) to amend section 22 of the Interstate Commerce Act, as amended.

Mr. KEFAUVER. Mr. President, I wish to file a motion in connection with the pending conference report, and ask that it be read.

The PRESIDING OFFICER. The motion will be read.

The LEGISLATIVE CLERK. Mr. KEFAUVER proposes that further consideration of the pending conference report be postponed until January 30, 1958, at 2 o'clock p. m.

Mr. KEFAUVER. Mr. President, at this time I ask for the yeas and nays on my motion.

Mr. LONG. - Mr. President, what is the motion?

Mr. KEFAUVER. The motion is that further consideration of the conference report on Senate bill 939 be postponed until January 30, 1958, at 2 o'clock p. m.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. If the yeas and nays were ordered on this motion, would that subsequently prevent a motion being made to lay the motion on the table?

The PRESIDING OFFICER. It would not.

Mr. KEFAUVER. I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. KEFAUVER. I suggest the absence of a quorum.

Mr. MORSE. Mr. President, will the Senator withhold his suggestion of the absence of a quorum while I make a speech which I intend to make? Later I shall join with him in suggesting the absence of a quorum and in the request for the yeas and nays. I completely agree with the Senator from Tennessee.

Mr. SMATHERS. Mr. President, I think possibly the Senator from Tennessee could obtain an order for the yeas and nays. I wonder what the Senator's disposition would be if, after some debate, a motion were made to lay his motion on the table. Would it satisfy the Senator to have the yeas and nays on the motion to lay on the table?

Would not that accomplish the Senator's purpose?

Mr. KEFAUVER. I would rather have the yeas and nays on my motion to postpone. Then if any Senator wishes to make a motion to lay my motion on the table, and to ask for the yeas and nays, that is his prerogative.

Mr. MORSE. Will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. MORSE. I have a suggestion to make to my friend from Tennessee. I think it is perfectly obvious that the Senator from Tennessee needs a little time to negotiate in the cloakrooms of the Senate. My speech will give him the time necessary. At the end of my speech there can be a quorum call, and I think there will be more support for his motion than now.

Mr. KEFAUVER. I think the Senator from Oregon was first on the list. He was good enough to allow me to file my motion.

With the understanding that the Senator from Oregon will suggest the absence of a quorum upon the conclusion of his speech, and request the yeas and nays—

Mr. MORSE. I will suggest the absence of a quorum.

Mr. KEFAUVER. I yield the floor now.

Mr. KNOWLAND subsequently said: Mr. President, apropos of the request of the Senator from Tennessee, that the yeas and nays be ordered on his motion to postpone, I ask for the yeas and nays.

The yeas and nays were ordered.

LIPSERVICE TO CIVIL RIGHTS—THE SENATE BILL

Mr. MORSE. Mr. President, for the past several days I have been subjected to very severe and bitter criticism in some quarters because of my position in the Senate on civil rights. I propose this afternoon to make my last major speech on the subject in this session of Congress. I shall make it without interruption, because I wish to have the RECORD show, in continuity, exactly where I stand on this issue—if, perchance anyone really does not know; although, as I read some of the criticisms of the senior Senator from Oregon I am satisfied that the writers of the criticisms, and in some instances the speakers of the criticism, know full well that their editorials and comments do not accord with the facts.

I do not expect my speech to be pleasing to many, but it is my record that I must live with, and it is my conscience that I must live with. I intend to make this record once and for all, so far as the senior Senator from Oregon is concerned, crystal clear as to where I stand on civil rights. When I shall have concluded my speech, I shall be glad to yield.

It is one of the ironies of the civil-rights controversy that there has been more intensive public discussion of the measure since it passed the Senate than there was about the contents of the bill and the amendments when they were under consideration. The politics of civil rights has come in for more attention than the bill in its relation to actual

shall be payable prior to the date of filing such claim.

Mr. CHAVEZ. Mr. President, this bill would authorize the widow of a World War I veteran to apply for dependent's benefits in favor of a child for whom she and her husband initiated adoption proceedings prior to her husband's death, and which proceedings did not become final until about 8 months following the death of the adoptive father.

There is no question in the mind of the committee that the deceased veteran fully intended to go through with the adoption and would have participated in the final order had he been alive at the time and, for this reason, believes that, if otherwise eligible, the child should derive whatever benefits she may be entitled to under the veterans' regulations and those of the railroad retirement board.

So far as the Veterans' Administration is concerned, the only thing the bill would do would be to increase the payment to the mother of a 4-year-old child from \$50.40 to \$63. If there are any objections to that kind of treatment, let me give the further story. I read from the report:

Joanne Lea (Buffington) Lybarger was born on June 2, 1953, to a daughter of the deceased and was immediately given to the deceased and his wife to rear as their own. On October 8, 1953, a petition for adoption was filed by the deceased and his wife. Under the law of New Mexico, it is necessary, as a condition precedent to a legal adoption, that if the child to be adopted is under 1 year of age, no final decree of adoption shall be entered until the child shall have attained the age of 1 year. Such an order was entered in the New Mexico court records on June 3, 1954, which was subsequent to the death of the foster father and, therefore, under the existing law and regulations, with respect to both the Railroad Retirement Act and the Veterans' regulations, Joanne could not be considered to be the adopted child of the deceased so as to entitle her to the benefits of that legislation.

It is evident to the committee that both the deceased and his wife fully intended to and did treat the infant as their own, and had not the death of the foster father occurred, he would have participated in the final court action.

Under these circumstances, the committee recommends enactment of the bill, as amended.

In the report there is a letter from the Railroad Retirement Board dated February 13, 1957, and a letter from the Veterans' Administration dated June 20, 1957, which set forth in detail the facts in this case.

Mr. President, I believe that the case is worthy. There never was opportunity for more humane treatment.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SETTLEMENT OF CERTAIN INEQUITABLE LOSSES IN PAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid

aside and that the Senate proceed to the consideration of Calendar No. 988, House bill 293.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 293) to authorize settlement for certain inequitable losses in pay sustained by officers of the commissioned services under the emergency economy legislation, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. WILEY. Mr. President, enactment of H. R. 5888 would remove an injustice of long standing and one which was imposed upon officers actually advanced in rank as distinguished from those due increases in pay based upon longevity or advancement to the next pay period. It is believed that the Congress did not mean to impose this inequity on these officers.

Yesterday, when this bill was reached on the call of the calendar, objection was made to its consideration. The objection has now been withdrawn.

Mr. POTTER. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. POTTER. Let me say to the Senator that I interposed an objection to the bill, not because I am opposed to the bill, but the cost will be in excess of \$1 million, and a bill of that kind should not be passed by unanimous consent on the call of the calendar. That was the reason why I objected.

Has the Senator from Wisconsin an estimate as to the cost of the proposed legislation?

Mr. WILEY. Yes. If all those involved could be found, the cost would amount to \$1,400,000. However, it was stated in committee that it was estimated that the cost would not be more than \$700,000. The proposed legislation would give to each of these officers a payment of about \$400.

The record shows clearly that the committee approved the bill. It involves only the question of doing justice. I feel that it should be passed; and I ask the Senator to withdraw any reservation.

Mr. POTTER. Mr. President, let me ask one further question. What are the years involved, with respect to which back payment would be considered?

Mr. WILEY. It involves only the period between 1932 and 1934 when these officers were promoted. For that period, because of the statute which was enacted, they did not receive all the pay they should have received, and which others in other classes received. The \$400 is approximately the amount which each will receive. It was really withheld from them.

Mr. POTTER. What will be the administrative procedure? Will the officers themselves have to apply for this back payment, or can the military make the grants without further ado?

Mr. WILEY. No. Each case will have to be passed upon by the Comptroller General of the United States.

Mr. POTTER. I have no objection.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

DISPOSAL OF CERTAIN FEDERALLY OWNED PROPERTY—CONFERENCE REPORT

Mr. CHAVEZ. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1520) to amend an act entitled "An act to provide for the disposal of federally owned property at obsolescent canalized waterways and for other purposes." I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report. (For conference report, see House proceedings of August 16, 1957, p. 13745, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

AMENDMENT OF SECTION 22 OF THE INTERSTATE COMMERCE ACT—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on disagreeing votes of the two Houses on the amendment of the House to the bill (S. 939) to amend section 22 of the Interstate Commerce Act, as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee [Mr. KEFAUVER] to postpone until January 30, 1958, at 2 o'clock p. m., the further consideration of the conference report on Senate bill 939.

Mr. KEFAUVER. Mr. President, I hope Senators will give me their attention in connection with this motion, because I think it involves not only a very important subject, but a most important principle as well.

The motion is to postpone until January 30, 1958, at 2 o'clock p. m., the further consideration of the conference report on Senate bill 939.

This motion is made because the subject matter is very complicated and intricate. The proposed legislation involves a very important change in the Interstate Commerce Act. It involves an important policy in connection with our antitrust and monopoly laws. No hearings whatsoever have been held on this point. It involves a very important change in the Interstate Commerce Act,

and in the principles of the antitrust laws, in the absence of an opinion from the Interstate Commerce Commission itself, and in the absence of an opinion from the Department of Justice as to what effect the proposed legislation would have.

When I first heard about this subject, on August 14, I wrote a letter to Judge Hansen, the head of the Antitrust Division of the Department of Justice, asking what effect the proposed legislation would have, and what the opinion of the Department was. I have not received a reply to that letter.

We should not be legislating on such an important matter as is involved in the so-called Harris amendment which is contained in the conference report without the opinion of the Interstate Commerce Commission and of the Department of Justice—

Mr. SMATHERS. Mr. President, will the Senator yield so that I may correct the RECORD on that point?

Mr. KEFAUVER. And of the railroads themselves, as well as of the small airlines, and others who may be interested. Of course, there were hearings held on the original Senate bill, on the surface transportation bill, in which section 22 was discussed, and there were hearings on section 22 before the House committee. However, the Harris amendment was added on the floor of the House. On that amendment no hearings have been held. This is a matter of important policy which has been brought to the floor for the first time. Am I correct in my statements?

Mr. SMATHERS. The Senator is correct in the last part of his statement. However, when he says that we do not have the opinion of the Interstate Commerce Commission, he is in error. As a matter of fact, I filed for the RECORD last night, and it is in the RECORD this morning, the statement of the Interstate Commerce Commission with respect not only to the Harris amendment, but to the bill as amended.

The Senator is correct with respect to the fact that we did not have any hearings on the particular amendment, and that the bill was amended on the floor of the House of Representatives. However, after the matter was presented to the House of Representatives, and after debate and discussion, the House overwhelmingly supported the measure which is now before the Senate.

The reason that was done, as I attempted to explain yesterday on several occasions, was that after the hearings on the bill had been concluded and the Senate had passed the Senate bill, and after it had gone to the House of Representatives, where hearings on it had been held, and after the bill itself had been passed by the House, the local district court rendered a decision, which upset the interpretation heretofore made, and which provided a new and unusual interpretation, we might say, of section 5 (a) of the Interstate Commerce Act.

It was then felt by the Defense Department, unless we took action to offset the opinion of the district court, and unless we put the railroads and the Government and the commercial shippers back in the same relationship they had occu-

pled since 1948, it would cost the Defense Department alone \$100 million. That is why this rather unusual action was taken.

Mr. KEFAUVER. I appreciate the comments of the Senator from Florida. I do find that in fine print last night the Senator from Florida did put some statement from the Interstate Commerce Commission in the RECORD.

Mr. SMATHERS. Does the Senator from Tennessee know how I can get it into the RECORD in large print?

Mr. KEFAUVER. I have not had an opportunity of reading the statement; but I insist that on an important matter such as this we ought to hold a regular hearing and call upon the chairman of the Interstate Commerce Commission to appear, and give an opportunity to all interested parties to ask him questions. I have no brief for the small airlines, and I have no brief for the railroads. As such, they do not mean anything to me. However, the small airlines say this bill, if enacted in its present form, will put them out of business, and will take away the competition they have been offering the railroads on the transportation of Government property. I say before we put an important segment of our economy out of business, or before we enact a law which, it is contended, will put an important segment of our economy out of business, we ought to give them the opportunity to be heard.

It is not right to do what is proposed. It smells to high heaven. It is an amendment brought forward, after the railroad companies lost a lawsuit, in an effort to enable them to win their lawsuit in Congress rather than in the courts. I do not like that way of doing business. It is an imposition on Congress to do that. They ought to conduct their lawsuits in the courts, not run to Congress because they have received an adverse decision, and insist that Congress pass a bill on which no hearings have been held, and on which the people affected by it have not even had an opportunity to present their views.

Let us follow the history of the bill, and see whether what I have said is correct.

On June 13, 1957, the bill which was reported from the Committee on Interstate and Foreign Commerce passed the Senate. That bill simply provided, in substance, that on Government business the railroads would make reports to the ICC, but the ICC would not be required to approve them; they would simply make their reports, and the reports, apparently, were to be made for statistical studies or for informational purposes. The bill did not endeavor to give the ICC any jurisdiction or any right of approval or any requirement of approval or regulation whatever. There was merely a matter of submitting reports. That had nothing at all to do with helping the railroads win their lawsuits or further exempting them from the antitrust laws, as the Harris amendment does.

That was a Senate bill. That was a good measure, I think. It required the railroads and trucking companies to file certain reports for study and informa-

tion. If that statement is not correct, I should be glad to have the Senator from Florida correct me.

As I have said, the Senate passed that bill on June 12, 1957.

We now come to the action of House of Representatives. Apparently the bill as originally filed in the House was for the purpose of merely striking out section 22. Finally, the bill that went to the floor of the House of Representatives was the Senate bill, providing for the reporting to the ICC, plus an amendment to the effect that the household goods of the armed services would be exempt from the operation of section 22 when the carriers were transporting household goods for the services. Such transportation, in other words, would be exempt from the operation of section 22.

What did the House of Representatives do? The House of Representatives adopted the section exempting household goods from the operation of section 22, and also adopted the section of the Senate bill requiring reports by the railroads. Then the railroads, having lost the lawsuit before a judge in the district court, rushed forward and presented an amendment to change the antitrust laws, in an effort to win their lawsuit in Congress, rather than to fight it out in the courts. That amendment was offered on the floor of the House, and adopted by the House of Representatives. Then when the bill went to conference, the exemption on household goods, which was in the House bill, was stricken by the conferees. The reporting features of the bill were not disturbed.

The group of small airlines, which it is intended to crucify, ought to have an opportunity to be heard before such a bill is passed. At least we ought to give them their day in court before a bill affecting them is passed. In the conference the Harris amendment was included. It is a provision which apparently attempts retroactively to allow the Reed-Bulwinkle Act to be applied to section 22, referring to Government business, and reports to be filed, and then subsection 9, to provide antitrust immunity, was added.

This is a tremendously important matter. It was a public issue for a very long time. Congress debated the question whether the Reed-Bulwinkle bill should be passed, to allow carriers to take concerted action in fixing rates for transportation; that is, to have one person speak for them, which ordinarily would be a violation of antitrust laws. The Reed-Bulwinkle Act gave them immunity from the antitrust laws, allowing them to take concerted action. But to get that immunity they had to go through certain steps; they had to file with the ICC their rates or tariffs, which today they work out by concerted action, and the ICC had to approve them.

Under the Reed-Bulwinkle bill, section 22 rates were not covered. There may have been some argument about the matter, but the Interstate Commerce Commission has long since said they were not covered.

Mr. SMATHERS. Mr. President, if the Senator from Tennessee wishes to make a correct statement, he should read

the letter from the Interstate Commerce Commission, in which the Commission says they were covered.

Mr. KEFAUVER. In its reports issued from time to time, the Interstate Commerce Commission has said they were not covered.

Mr. LAUSCHE. Mr. President, at this point will the Senator from Tennessee yield for several questions?

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Tennessee yield to the Senator from Ohio?

Mr. KEFAUVER. First, Mr. President, I wish to refer to the report of the Interstate Commerce Commission. In the Commission's 1956 report, we find, at page 160, that the Commission said, in so many words, that they were not covered; and the Commission recommended the enactment of a law to cover them under the Reed-Bulwinkle bill.

Mr. SMATHERS. I should like to point out that what the Commission there refers to is section 22, but not section 5 (a) as applied to section 22.

Mr. KEFAUVER. Section 5 (a) never has applied to section 22, and never will, unless this conference report is agreed to.

Mr. SMATHERS. Mr. President, will the Senator from Tennessee yield, so that I may discuss that particular point?

Mr. KEFAUVER. First, I wish to read the court's decision. After having lost their case in the court, the railroads now are asking the Congress to provide them with relief, instead of carrying the case through the court of appeals, where it is now.

Mr. President, I do not like the idea of having someone who has lost a court case rush to Congress, to get Congress to "bail him out." But that is what the railroads are doing in this case; they are doing it blatantly. That is what the Senator from Florida has admitted the railroads are doing.

Mr. SMATHERS. Mr. President, I feel that under the circumstances I am entitled to set that matter straight. Apparently the Senator from Tennessee was not on the floor last evening, nor has he read the RECORD of last evening as to what was said then, because if he had, he would clearly understand that the one who rushed to the Congress was, not the railroads, but the Defense Department. The Defense Department has said to the Congress, "If this decision stands as it is now, the railroads will not do business with us, because they very properly tell us that by doing business with us under section 22, they are subjecting themselves to further lawsuits."

So the Defense Department has said, "If you do not do something about it, it will cost us an additional \$100 million."

There is no evidence anywhere, so far as I know, that the railroads have sponsored this proposed legislation. It may be that they will appreciate it; I do not know that, but I do not deny it. But certainly no representative of the railroads has come to me, or, so far as I know, to any other Senator, to make such a request. The one who has come to the Congress and has made the re-

quest has been the Defense Department of our own Government.

Mr. KEFAUVER. Mr. President, if it is necessary to repeal the antitrust laws because of a threat by the railroads that they will not continue to do business with the Government; if it is necessary to repeal the antitrust laws because someone says he will raise his rates or will charge more, then the Senate and the House of Representatives are very weak, indeed. All of us know that the railroads have made plenty of money from doing business with the Government. If the Congress is going to fall for the railroads' bluff, then the Congress will not be fulfilling its responsibility as an essential part of the Government.

Mr. LAUSCHE. Mr. President, will the Senator from Tennessee yield to me?

Mr. KEFAUVER. I shall yield in a moment.

Mr. President, in regard to the point of whether the railroads are attempting to push the Congress, if any Member of the Senate has not been contacted by some representatives of the railroads, he has not had the experience I have had. That situation is historic, and it has previously been referred to by very distinguished Senators. The late Senator Barkley and the Senator from Georgia [Mr. RUSSELL] had quite a colloquy about this very kind of thing. At that time Senator Barkley said:

The railroads are to be put on an island of safety, beyond the reach of the antitrust laws.

The Senator from Georgia [Mr. RUSSELL] had considerable to say about the matter when the Reed-Bulwinkle bill was under consideration in the Senate. At that time the Senator from Georgia said:

Instead of pleading guilty in the courts to violating the antitrust laws, the railroads and their satellites have come to Congress. They have said: "We are guilty; they have got us on the hip, and we want you to give us a pardon before the courts can even write a decision in the case." I submit, Mr. President, we ought at least to wait until the Supreme Court has decided the cases, and that any action of Congress in dealing with the problem prior to that time is premature and will result in divesting the people of the country of a protection to which they are entitled.

Those were the words of a very able Member of the Senate—the distinguished Senator from Georgia [Mr. RUSSELL]—when a similar situation had developed, when the railroads were found guilty, and when they rushed to Congress, in an attempt to obtain immunity—just as the railroads are doing at the present time. There is no doubt about it.

In a few minutes I shall discuss whether the Government will save money or not.

But at this time I say to the Senate that if the Senate has to succumb to the threat by any segment of the economy that, "You have to exempt us from the antitrust laws, or we will not do business with you," then the Government is in a very sorry plight.

Mr. LAUSCHE. Mr. President, will the Senator from Tennessee yield for a question?

Mr. KEFAUVER. I yield.

Mr. LAUSCHE. I should like to say to the Senator from Tennessee, that I talked with General Lasher, representing the Defense Department. I asked him whether the information he gave me in regard to the matter was the judgment of the Defense Department. General Lasher told me that unless this action was taken, the Government would have an additional cost of \$100 million a year.

I asked him what interpretation was made of these sections by, respectively, first, the Interstate Commerce Commission; second, the Department of Defense; and third, the railroads.

His statement to me was that the Interstate Commerce Commission constantly ruled that the railroads came under the protection of the Bulwinkle bill; that the Department of Defense construed the Bulwinkle bill to mean that concerted action could be taken; and that, also, the railroads construed it that way.

I then asked General Lasher, "By that, do you mean you were participating in this arrangement of hauling prices, with an understanding with the railroads?"

General Lasher replied, "Yes."

Then I said, "If the decision of the court is correct, that would mean that the United States Government was a party to this crime."

He said, "Yes, that is what it would mean; but that is not the truth."

Mr. KEFAUVER. Mr. President, if the United States Government was a party to the crime, it should not have been a party to the crime, any more than the railroads should have been a party to the crime. I am opposed to having someone attempt to have the Congress "bail him out," after a judge has found that he is guilty—regardless of whether the one involved is the United States Government or the railroads.

In further response to what the Senator from Ohio has said, let me say that he has stated that General Lasher—whoever he may be—informed him of something in the course of a conversation. However, what we want is an opportunity to have some questioning done by the members of the congressional committee who are interested in this matter.

Other testimony which I have seen shows that the Government has actually made money as a result of section 22—more money than the Government otherwise would have made. We can be sure that if the Government is getting a special "break" from the railroads, under section 22, the railroads are, in turn, charging additional amounts to other shippers. That is why action on this matter should be postponed.

General Lasher may have talked to the Senator from Ohio [Mr. LAUSCHE]; but there was no testimony before a congressional committee that the Government would lose money. No Senator has had an opportunity at a Senate committee session to ask the railroads or the Department of Defense or anyone else whether they would lose money. As a matter of fact, the testimony on this subject is to the contrary.

Mr. Clarke, the chairman of the Interstate Commerce Commission—when

he was testifying on a collateral matter at hearings on April 17, before a Senate committee, and when he was referring to the transportation data for 1950, 1952, 1953, and 1954, as published in *Transport Economics*, for August and September 1955, a publication issued by the Bureau of Transport Economics and Statistics, of the Interstate Commerce Commission—pointed out that they said that section 22 rates averaged 13 to 14 percent higher than the comparable commodity rates available to commercial shippers for the years 1950 and 1952 through 1954. And, as shown on page 37, Mr. Clarke confirmed that that was the case.

But what we need is some testimony before a Senate committee about the matter. I do not know what is correct. But I know that as a United States Senator, I am not going to stand here and see a further breaking down of the antitrust laws because some railroad wants to hold a hammer over the Senate of the United States.

Mr. LAUSCHE. Mr. President, let me say—

Mr. KEFAUVER. I ask the Senator from Ohio to wait a moment, please; I wish to complete my answer to what he has already said.

If the Government of the United States is not able to do business without letting the railroads conspire together and take concerted action, but if the Government has to give them immunity, how does the Government expect the antitrust laws applicable to others to be enforced? The granting of such immunity would be a distressing thing to antitrust-law enforcement. That is what would happen if the Senate were to succumb to the attempt of the railroads, who are saying, "We will charge you more if you do not give us antitrust-law immunity."

Mr. President, it is not right, it is scandalous; and I shall talk about it for a long time.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. KEFAUVER. I do not yield yet. I have to complete the answer I am making to the Senator. The Senator from Ohio has said the Interstate Commerce Commission has always said it had jurisdiction over section 22 rates. The Senator from Florida has said that. I would invite Senators to read page 39 of the Senate committee hearings of April 1957. At the top of the page, when Mr. Clarke, Chairman of the ICC, was before the Senate committee, there will be found this colloquy. The Senator from Ohio [Mr. LAUSCHE] was there. He was the questioner. I am surprised he does not remember it:

Senator LAUSCHE. Is that in substance what the present status of the law is?

Mr. CLARKE. No, sir. The Commission has no power or authority at the present time to interfere in any way with the section 22 rate. We can't compel it to be raised or lowered. It is outside our jurisdiction entirely.

Does the Senator see that?

Mr. LAUSCHE. Yes.

Mr. KEFAUVER. Then, what does the Senator mean?

Mr. LAUSCHE. The Senator from Ohio means that under the law the mode of procedure is that the application has to be filed with the Commission and the Commission can approve that mode of procedure only if it finds it is in the general interest of the people of the country.

If the Senator from Tennessee will read the record to which he is referring, he will find that a representative of the Defense Department said that the elimination of section 22 would have resulted in a loss of \$250 million a year during the years of the war. General Lasher said that for this coming year it would mean a loss of \$100 million to the Defense Department.

I suggest to the Senator from Tennessee that if he desires to learn who is the motivating cause for the action taken by the House, he should call the Secretary of Defense or General Lasher.

Mr. KEFAUVER. I should like to have the opportunity, as would other Senators, of examining the general. He has not been on any witness stand. I would rather take the word of the Interstate Commerce Commission itself, which said that for 1950 and 1952 section 22 rates were 14 percent higher; that for the years 1953 and 1954 they were 13 percent higher. Who is right about it? I do not doubt the railroads have been able to talk to some general and get him to try to help them carry the load and to get them out from under the burden of the lawsuit. That is their prerogative. They have not appeared on the witness stand. I care not if it is going to cost \$100 million more. If this Government has to give immunity to the railroads under the antitrust laws in order to eliminate competition, in order to save some money, we are in a mighty poor position. I am not going to vote for any bill as a result of which we would be put under the hammer, and told to give an exemption under the antitrust laws or the railroads would raise their rates. The railroads have been making a great deal of money as a result of section 22. They will continue to make money under section 22. I am not going to bail them out of their difficulties as a result of a violation of the law of which the district court has convicted them.

The Senator from Ohio and the Senator from Florida stated unequivocally a few minutes ago that the ICC had always said section 22 rates were under their jurisdiction. I wish to read again what Mr. Clarke said, as it appears on page 39 of the hearings, at which the Senator from Ohio and the Senator from Florida were present. He was asked what interpretation the ICC put on that section, and Mr. Clarke, who is Chairman of the ICC, said, as appears on page 39:

No, sir. The Commission has no power or authority at the present time to interfere in any way with the section 22 rate. We can't compel it to be raised or lowered. It is outside our jurisdiction entirely.

Mr. SMATHERS. Mr. President, would the Senator like an answer?

Mr. KEFAUVER. I would like to know what that means.

Mr. SMATHERS. It means this. Section 22 was adopted in 1887, at the time

the Interstate Commerce law was enacted. It provided that the railroads could always grant to the Federal Government, or State governments, or to the blind, or to persons suffering from disasters, and so on, free or reduced rates.

How much those particular rates amounted to was not a problem of the ICC, so long as they were below the normal rates, and so long as the railroads claimed the application of the provisions of section 22.

The distinguishing point in this whole debate is that the Senator from Tennessee is talking about section 22 rates, not the agreements into which the railroads enter, whereby they get together, as in the Southern Freight Association, or the Western Freight Association, or the Central Freight Association, to determine the rates. That is what the ICC has to approve. Those agreements have to be filed with the ICC. The ICC has to give them its approval. But once the agreement, under which the railroads will act in concert, has been filed, it is true that immunity is granted under the antitrust laws, and the railroads can make a quotation of rates under section 22, over which the ICC has no jurisdiction.

I point out to the Senator that the airlines also have immunity. The Senator should realize that. They are permitted, under the Civil Aeronautics Act, to get together to decide what their rates shall be. They publish them. It is not only the railroads which do so. In a system of regulated transportation, we must remember we are not talking about railroads alone; we are talking about motor carriers; we are talking about inland-waterway carriers and freight forwarders. We are not talking merely about railroads. Such immunity is not granted only to the railroads.

I have no particular brief for the railroads, but the fact is that the law was enacted in 1887, and it has not been repealed up to this time. There was a bill before the committee to repeal section 22, but the nonscheduled airlines did not appear. Where were they? We held hearings for 10 days. I do not recall that they attended. I do not recall that even the Senator from Tennessee was there. There was no one from the particular group that was objecting to section 22 rates, which may or may not be bad. The committee acted on its best judgment, and its judgment was approved by the Senate on June 12. I presume the Senator from Tennessee voted for the bill, because it passed. It was said that it was desired to maintain the section 22 rates, whereby motor carriers, railroads, water carriers, and all other carriers, can give to the Government rates below the published rates.

Mr. KEFAUVER. I was waiting for a question. I did not know—

Mr. SMATHERS. I thank the Senator. I shall be glad to yield to him in a minute to make a statement.

Mr. KEFAUVER. I would rather yield only for a brief time, because the Senator from Florida has brought up so many subjects that I may have a difficult time trying to answer all he has said.

The Senator has said the Interstate Commerce Commission had jurisdiction over section 22 cases. The ICC has said that is not true. Mr. Clarke has said the ICC has no jurisdiction.

Mr. SMATHERS. The Senator should get the distinction in his mind between agreements and rates. I respectfully submit that otherwise he will not understand what the law is about. There is a difference between an agreement approved by ICC allowing the railroads to act in concert on the rates which will be made under the terms of such agreement, and the law. We are talking about two different parts of the law.

Mr. KEFAUVER. It is very difficult for me to see how the Interstate Commerce Commission can give carriers an exemption, under the Reed-Bulwinkle bill, on section 22 rates, if the ICC has no jurisdiction over section 22 rates. The ICC can allow no exemption, because it has no jurisdiction over that section. That is what the courts have held, and that is what the railroads are trying to get around.

So far as the airline carriers are concerned, I have no brief for them. I believe in live and let live. Let them get along if they can make the grade. There is no section 22 program for the airlines. They cannot, as the railroads can, quote one rate for the purpose of moving Army goods and another rate for another purpose. The airlines have to file with CAB uniform tariff rates which are applicable to everyone, since they cannot have any concert of action for the purpose of making discrimination in rates. They do not get any exemption from the anti-trust laws, because they have to file the same tariffs for Government business and everything else.

We talk about the Government saving money. Wherever the airlines can compete, the railroads will reduce their rates. Wherever there is no competition, the railroads charge the Government just about as much as they do anybody else. But if we drive these little airlines out of business, we will find that instead of \$100 million, it will cost the Government many hundreds of millions of dollars more, because then there will be no competition.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, I ask unanimous consent to have printed in the RECORD at this point telegrams from the Order of Railway Conductors and Brakemen, the Brotherhood of Locomotive Firemen and Enginemen, the Brotherhood of Locomotive Engineers, and the Brotherhood of Railroad Trainmen, all sent to me as chairman of the committee, endorsing the conference report on S. 939.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., August 16, 1957.
Hon. WARREN G. MAGNUSON,
United States Senate, Washington, D. C.:

On behalf of the Order of Railway Conductors and Brakemen, I respectfully urge your support of conference committee report on S. 939 to amend section 22 of Interstate Commerce Act. Railroads should be permitted to work together to provide reduced charges to Federal Government for transportation and should not be penalized for cooperating to that end. No single railroad can accomplish this by itself. Therefore, your help in having conference committee report adopted this session will mean much to the taxpayers, railroads, and employees.

R. O. HUGHES, *President.*

CLEVELAND, OHIO, August 15, 1957.
Hon. WARREN G. MAGNUSON,
Senate Office Building,
Washington, D. C.:

I urge your support of conference committee report on S. 939 to amend section 22 of Interstate Commerce Act. Carriers should be permitted to work together when it means reduced charges to Federal Government for transportation, and railroads should not be penalized for cooperating in this effort. No single line can accomplish this by itself. I seek your help in having conference committee report adopted this session.

H. E. GILBERT,
President, Brotherhood of Locomotive Firemen and Enginemen.

CLEVELAND, OHIO, August 14, 1957.
WARREN G. MAGNUSON,
Senate Office Building,
Washington, D. C.:

On behalf of more than 70,000 members of the Brotherhood of Locomotive Engineers manning the locomotives on the Nation's railroads I urge you to support the conference committee report on S. 939 and assist in having it adopted at this session. We believe the railroads should be encouraged to work together in reducing charges to the Federal Government covering transportation of both troops and freight without becoming subject to antitrust penalties.

GUY L. BROWN,
Grand Chief Engineer, Brotherhood of Locomotive Engineers.

CLEVELAND, OHIO, August 15, 1957.
Hon. WARREN G. MAGNUSON,
Senate Office Building,
Washington, D. C.:

We urge your support of conference committee report on S. 939 to amend section 22 of Interstate Commerce Act. Carriers should be permitted to work together when it means reduced charges to Federal Government for transportation and railroads should not be penalized for cooperating in this effort, no single line can accomplish this by itself. We seek your help in having conference committee report adopted this session.

W. P. KENNEDY,
President, Brotherhood of Railroad Trainmen.

THE CORDINER REPORT

Mr. GOLDWATER. Mr. President, today our colleague, the able Senator from Mississippi [Mr. STENNIS] will begin hearings on S. 2014, one of the most important bills to come before Congress during this session. As chairman of the special subcommittee, he and the members of the subcommittee will hear testimony on the bill which is designed to reverse a trend in the Armed Forces—that is, to retain in the services highly qualified and skilled officers and men of the Army, Navy, Air Force, and Marine Corps.

One facet of the Cordiner report which seems to cause much raising of eyebrows is that part dealing with the upward adjustment of the pay of general officers. It is the one part which is creating the greatest resistance to acceptance of the Cordiner committee proposals as contained in S. 2014.

Why should this be so? Are we so blind as not to be able to see that the rising cost of living affects a general or an admiral as much as it affects a sergeant or a petty officer. In fact, with all of the requirements to maintain a certain standard of living, it is more difficult for general officers to make a go of it on what the Government pays them, than it is for many lower ranking officers, or even some noncommissioned officers.

Let us look at the facts. This country has always watched over the little man. With respect to service personnel, it has watched over the basic private quite well. During the period 1908 through 1956, the pay of a private has gone up 800 percent. A major general's pay has gone up 60 percent during the same period. Frankly, I would dislike immensely living on pay only 60 percent greater than that being paid in 1908, and I think most of us would.

There is another fact which is most interesting, and not surprising. It is well-known throughout the country that good executives, management people, are hard to find and hard to keep. Recently I read in the Wall Street Journal, in the July 18, 1957, issue, to be exact, that many companies were setting up new salary systems, rating systems, and other devices, to enable them to hold on to scarce "brass." And we well know that talent scouts in business are constantly on the lookout for likely prospects to add to their companies' executive rosters.

The Armed Forces are so well endowed with personnel possessing executive experience and organizational management ability that they are a tempting source to those companies searching for a new president, manager, or director. I could enumerate and cite many cases illustrating the Armed Forces' loss and industry's gain. Instead, let me give one recent poignant example.

The Washington, D. C., Evening Star of July 24, 1957, told of the naming of a new president of Capital Airlines. His name is David H. Baker—he was Air Force Major General Baker, previously head of all Air Force procurement under the Air Materiel Command. He is gone from the Air Force now—departed at the age of 49, after 27 years of commissioned service. He was and is recognized as an outstanding man in the field of procurement; trained by the Air Force, educated by the Air Force, provided experience by the Air Force. He is gone now and his value to the Air Force is gone with him—gone to Capital Airlines. Capital Airlines got itself a good president. The Air Force got itself a big void to fill.

Why did General Baker ask for retirement? As a major general in the Regular Air Force he could have stayed on active duty until 1965. On that date, with 35 years of service, he would normally have been required to retire. Why did he not stay those 8 years? Perhaps

if we look at the picture of his pay we will get an idea.

In 1955, with the new pay established by Public Law 20, 84th Congress, General Baker began drawing \$1,021.80 base pay a month, \$171.00 per month quarters allowance and \$47.88 per month subsistence. To that he could add \$165 for incentive pay as a flying officer. Total, \$1,405.68 a month or \$16,868.16 a year, before taxes and social security deductions. Could General Baker look forward to an increase in pay if he were promoted? No, not one cent, even if he had been promoted to four stars and appointed chairman of the Joint Chiefs of Staff. At the end of 30 years' service he would receive a tremendous increase of \$54.60 per month, before taxes, and so forth. And if he retired with four stars, he would still retire at the pay of a major general—unless Congress passed a special act, as it is now considering for Admiral Radford, to permit him to retire at a higher rate.

What kind of inducement is that? Certainly not enough to make a man think seriously of refusing the presidency of Capital Airlines. Compare the two positions. A major general receives \$16,000 a year. An airlines president draws \$48,000 a year, plus expenses.

I have used General Baker as one example. There are literally thousands more—thousands of colonels, captains, generals and admirals—with their retirement papers ready to go in. Admiral Nimitz's son just resigned from the Navy. The newspapers carried the story of this Navy captain with an outstanding record who was leaving the service because he could not afford to send his children to college on the pay he was receiving. I do not know what kind of a position Captain Nimitz got, but I am willing to wager that his children will be in college and their father will be paying the bills.

And there is the case of the Air Force colonel who with 22 years of service has been selected for promotion to brigadier general. From last report, he prefers to resign rather than accept the star and the small pay it gives for the tremendous responsibility which goes with it. It is a sad state of affairs when we cannot even induce a man to accept a promotion.

Let us stop being unrealistic about our leaders. Yes, they are dedicated men, but they are human, too, and they have families to worry about. If we want them to continue to occupy the high positions of leadership, the frightening loads of responsibilities, the mammoth tasks of national defense, then I say let us pay them enough to induce them to stay on the job.

We need well-run airlines, merchandise corporations, and relief foundations. But we need, even more, a well-led, inspired Army, Navy, Air Force and Marine Corps. The best weapons and the biggest stocks of equipment are nothing but junk heaps without leadership.

I say let us act now to enact the Cordiner proposals. We must act now or pay the price of national defenselessness.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the article to which I have referred, published in the Evening Star of

July 24, 1957, entitled "General Baker Named Head of Capital Air Lines."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GENERAL BAKER NAMED HEAD OF CAPITAL AIRLINES

Maj. Gen. David H. Baker, recent head of Air Force procurement, has been elected president of Washington-based Capital Airlines, succeeding J. H. Carmichael, who becomes chairman of the board.

In another top-level change, George R. Hann, who has been board chairman, was elected chairman of the executive committee.

In making the announcement late yesterday, Mr. Carmichael stressed the increasing demands on management and the problems encountered as the company enters the jet age, which made it timely to create an organizational structure designed to meet this challenge.

WITH FIRM SINCE 1929

He has been associated with Capital or its predecessors since 1929 and has been president since 1947. He is 50 years old.

General Baker, 49, has been director of procurement and production for the Air Force since 1953. He is a command pilot, a graduate of West Point and the Harvard Business School, and a native of Paterson, N. J.

A rated Army pilot in 1932, he flew the mail between Newark, Cleveland, and Boston. He was in England in late 1942 as executive officer of the plans section of the 8th Air Force Service Command and later headed the plans division.

General Baker was deputy commander of the 9th Air Force Service Command and from March to May of 1946 commanded the service command.

SERVED AT WAR COLLEGE

He has been on the faculty of the National War College and was senior Air Force member of the Joint Logistics Plans Group in the Office of the Joint Chiefs of Staff in 1948 and 1949.

In 1950 he was made responsible for the air defense of central and northern Alaska and in 1953 became director of procurement and productions of the Air Force.

He holds the Legion of Merit with one Oak Leaf, Cluster and the Bronze Star. Foreign decorations include the French Croix de Guerre with Palm and the Legion of Honor, the Luxembourg Croix de Guerre, the Belgian Order of Leopold with Palm and the Croix de Guerre with Palm, the Most Excellent Order of the British Empire, and the Polish Order of Polonia Restituta.

Mr. GOLDWATER. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point the article from the Wall Street Journal of July 18, 1957, to which I made reference.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MORE COMPANIES SET UP FORMAL SALARY SYSTEMS TO HOLD SCARCE BRASS—PILLSBURY MILLS DRAWS JOB PROFILES; S. C. JOHNSON RATES EMPLOYEES ON POINTS—BUT MANY FIRMS ARE OPPOSED

(By Roger W. Benedict)

John D. was restless and unhappy in his job. He worked hard and well as a junior executive for a large, diversified manufacturing company, but his quietly efficient efforts were going unnoticed. He did not engage in office "politics," and he was losing promotions to those who did. He believed his career had run into a dead end and, secretly he began looking for another job.

In the same firm, an apparently successful man named Richard R. was in danger of being fired. As a middle management executive, he was expected to live in a manner that would uphold the prestige of his office. But the financial burden of keeping himself and his family on a social par with business acquaintances was wearing on his nerves. The more he worried, the more his work suffered.

Surprisingly enough, these two men, who only a short time ago seemed sure to leave the company, today are candidates for top management positions in that same company.

FORMAL PAY PLAN

Credit for saving these men in their jobs is given an increasingly popular—and controversial—development in management relations. In the jargon of personnel experts, the development is a "formalized program of salary administration." In layman's language, that means there is a definite system for figuring out how much a man in management work should be paid by determining what he is supposed to be doing, how much the job is worth to the company and how well the man is doing it.

For example, in Mr. D.'s case, trained evaluators from a management consulting firm compared his work with the requirements established for his job. They found he rated well above his coworkers, and possessed unsuspected executive abilities. He was started up the promotional ladder and was assigned activities that would help him develop his basic talents. Recognition of his efforts perked up his morale and he decided to stay with the company.

The company's salary administrators also set up minimum and maximum salaries for each management job. They discovered that Mr. R.'s position was underpaid in relation to its value to the company, and in comparison with similar jobs in other companies. A rise in pay ended Mr. R.'s feeling of insecurity, and his work rapidly returned to the former high level of performance.

HAPHAZARD RAISES

Most bosses, of course, decide on promotions, raises, and firings of their management people by judging what a man's job is worth, how well he is doing it and what his potential is. But in the majority of cases today, say management consultants, the process is highly informal and haphazard.

Many companies, to be sure, strongly prefer informal pay plans. "We feel that highly formalized systems should be avoided," says Robert J. Howe, director of salary and organization for Cleveland's Thompson Products, Inc. "They breed jealousy and contention, and introduce the danger of mechanizing the human equation." Thompson Products believes a simpler and more accurate guide to salaries can be found in the going market prices for jobs with similar requirements and responsibilities.

Some management consultants flatly condemn most formal pay plans. "Most of them are not worth the paper they're printed on," declares Dr. Robert N. McMurray, of McMurray, Hamstra & Co., of Chicago, "and some are downright dangerous. They are popular because a lot of companies are looking for every gimmick that will relieve management of making a decision."

PLAYING POLITICS

But an increasing number of companies are adopting formal pay plans in the belief that informal arrangements have the worst pitfalls. A manager who can suavely play office politics, has a charming personality, or merely knows the right time and way to hit the boss for a raise may push himself up through the ranks more easily under an informal scheme, claim opponents of such systems. Another management executive who might be better qualified could be passed over because he's reticent and unnoticed or

reviewed, the larger ones, and in large measure it was due to the fact of this tight budget situation and to the fact there has been an unusual demand for loans from REA.

One factor has been the differentials in interest, as the cost of commercial loans has gone up. That has increased the demand, no doubt, for REA loans which are at 2 percent interest.

Miss SARAH MCLENDON (San Antonio). Mr. Secretary, did you not see any reason for you to put another order in the Federal Register outlining this policy, since it sort of conflicts with the one of January 6, 1954, in the Federal Register?

Secretary BENSON. No; there has been no official reorganization. Mr. Peterson (Assistant Secretary in charge of States' Relations) may request the same thing of the Director of Extension, or any agencies under him. It is simply good organization, good procedure.

Miss MCLENDON. Would you say this was done without your direction?

Secretary BENSON. No; it was not done without my direction. It was done with my approval.

Miss MCLENDON. What was the date of your approval?

Secretary BENSON. I don't recall that, because it was done verbally, but Mr. Scott had already discussed it with the REA people and said he felt it would be a safeguard and a good thing, and Mr. Hamil took to it in good spirit.

That is all I know about it.

Mr. DEACON (St. Louis Post-Dispatch). Would you review for us once more what the responsibility and authority of the Director of Agricultural Credit Services was under this delegation of authority?

Secretary BENSON. Yes. Under the Reorganization Act, all authority held by the heads of any agricultural agencies was (transferred) to the Secretary of Agriculture. There were some of them where the delegation was not quite clear. Then the Secretary in turn—

Mr. BAILEY. You mean before the act some of them were not quite clear?

Secretary BENSON. Before the act some of them were not quite clear. In the act the clarification was made.

Then the Secretary in turn, as is the custom, delegated authority to the agency heads, with supervision by the various group heads or the assistant secretaries and the Director of Agricultural Credit Services. They have general supervision under the Secretary for the various agencies under their supervision.

Peterson, for example, has Extension Service, Soil Conservation Service, Agricultural Research Service, and so on. In the case of Scott, he has the REA, our emergency drought programs, and the Farmers' Home Administration. * * *

Mr. MONROE (Albuquerque Journal). I believe the REA loans for the fiscal year 1957, which ended last June 30, were up to about \$380 million total, which, I think, is a rise of 35 to 40 percent over the previous year, and I wondered if this is not all part of the inflation picture, if there has not been some concern at the White House level about the increase in the number of loans.

Secretary BENSON. There has been a rather substantial increase. I do not know what the percentage figure is. And if that would occur in any agency, it would give us some concern, naturally, particularly when you consider that about 95 percent of all of our farms are now electrified.

Of course, one of the problems we face, ladies and gentlemen, is the fact that there is no clear line of demarcation any longer between rural and urban areas, and that presents a problem to REA. We have this decentralization of industry—and industries move out into a rural area and they have great demands for electric power. And if

they can get it through REA, particularly if they can get a loan with a lower interest rate, it is only natural they might apply for it. That is a fact. It is only one of several, but there has been a substantial increase and we want to be as cautious and careful as we can. We are using the taxpayers' money in this operation, as we are in most of the operations of the Department. * * *

Mr. DEACON. Mr. Secretary, two questions, if I may. First of all, do you intend to appear before Senator HUMPHREY's Government Operations Subcommittee before the adjournment of Congress?

Secretary BENSON. I have never refused to appear before any committee or meet with any Member of Congress privately.

I have just dictated the answer to Senator HUMPHREY's letter, which came to Mr. Morse, really. I dictated that this morning, and it has gone up to him, and I have suggested that copies be available if that is possible at the end of this press conference.

Mr. DEACON. In case you don't have them available, did you say you would appear or not appear, or what did you say?

Secretary BENSON. Well, I can't quote the letter exactly, but I think I indicated that our people had been available all along, the Under Secretary, Mr. Scott, and the Administrator and Deputy Administrator; that there had been no reorganization of REA, but that if he wanted me to come up when the Administrator returns to town, I would bring Mr. Hamil and we would come up and sit down with him.

Question: Do you know if a Cabinet officer can be subpoenaed?

Secretary BENSON. I do not know. I have never faced that. I am told that certainly he could not be if the President indicated his objection. But then, I don't think that should enter into a thing like this, especially when there has been no reorganization of REA.

Miss HELEN MONBERG (Pueblo, Colo.). In Pueblo, Colo., we are very much interested in Mr. Hamil. I want to ask you two questions also.

One is: Is there any question about Mr. Hamil being forced to resign?

Secretary BENSON. I have never raised the question and no one has ever raised it with me. The thought has not entered my mind at all.

Miss MONBERG. He is satisfactory to you?

Secretary BENSON. Well, he has given excellent satisfaction so far as I am concerned, and my relationship with him has been very satisfactory. I think he is a good administrator or I wouldn't have selected him, nominated him to the President.

Miss MONBERG. The next thing thing I want to ask you is: Have you had any trouble recently with the large REA loans?

Secretary BENSON. I wouldn't say we have had trouble with them.

Miss MONBERG. Was there any loan that went sour, for instance?

Secretary BENSON. I don't recall. I would have to check. I don't recall that there has been.

Miss MONBERG. Thank you.

Mr. DEACON. Still on this REA matter, the contention by some REA groups has been that in actuality or in practical effect the review of these REA loans of more than \$500,000 has been made by Mr. D'Ewart rather than Mr. Scott. Would you comment on that?

Secretary BENSON. I think generally speaking they have been made by Mr. Scott. Mr. D'Ewart is assistant to Mr. Scott and sometimes when Mr. Scott is away I assume Mr. D'Ewart would do some of the preliminary work on them. I think all of them have been called to Mr. Scott's attention before any suggestion or recommendation has been made.

I have mentioned REA all the way along. I don't want to exclude the telephone loans. They are not all electric loans; some of them are also telephone loans, as you know.

Mr. MORTON. I think the transcript makes it abundantly clear first, that there is no great reorganization of the REA; second, that there is no policy change; and third, that the Secretary feels that he has a budgetary responsibility as Secretary of Agriculture for all the lending agencies within the Department of Agriculture. Furthermore, I believe that as a member of the Cabinet he has an obligation shared by all members of the Cabinet, to watch over every major expenditure, in view of the possibility that Congress may have to come back here in November or December because of the debt ceiling.

I understand that today there is a sharp demand for REA loans—greater than at almost any other time; yet our farms are 95 percent electrified. This makes it important that the Secretary keep himself informed, and discuss the problems with the administrator of the REA, without attempting to dictate or to change the policy in any way.

I trust that Members of this body who followed the discussion yesterday will read the verbatim transcript of the Secretary's press conference.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MORTON. I yield.

Mr. HUMPHREY. I respectfully suggest to the Senator that the so-called verbatim transcript consists of excerpts from the press conference, edited by the Department of Agriculture. I have a copy of the so-called verbatim transcript, but it is verbatim only to a point. It is verbatim after appropriate editing and deletions by the Department. But even what is there, I say, is rather revealing.

The Secretary of Agriculture points out, for example, in response to a question from a reporter of the Minneapolis Tribune, Mr. Bailey, the situation with respect to Mr. Nelson, when he was Administrator of the REA. I read from the transcript:

Mr. BAILEY. Was Mr. Nelson, when he was Administrator, asked to discuss with Mr. Scott all loans over \$500,000?

Secretary BENSON. I don't know whether he was or not. I know that he did discuss some loans with Mr. Scott, but I don't know whether it was a regular thing or not.

The Secretary goes on to point out that the purpose of the action was to achieve full coordination of REA activities. I submit that full coordination of REA activities is a function of the Administrator of the REA, and not the Secretary of Agriculture, even though the REA is under the Department of Agriculture by reason of the Reorganization Act.

Mr. MORTON. I have already placed in the RECORD the quotation which the Senator has just read. I think the transcript speaks for itself. Let me say that it does consist of excerpts, because I asked only for that portion which dealt with REA. The Secretary held a rather lengthy press conference, dealing with other subjects besides the REA. I

did not wish to burden the RECORD with the other subjects. I wished to place in the RECORD merely the portion which was anent our discussion yesterday.

Mr. HUMPHREY. So far as the budgetary responsibility of the Secretary of Agriculture for all the lending agencies within the Department is concerned, let me say that the Congress of the United States authorizes the amount of money available for loan funds in the REA. The Congress of the United States authorizes the Director to make the loans. The Secretary of Agriculture assured the Congress that before any change was made in either policy or organization, he would consult with the Congress.

I charge that the Secretary has not kept his word. All he needs to do to keep his word is to respond to a request from a committee of the Congress to appear before the committee. He should stop holding press conferences and come to the Capitol, where a Cabinet officer belongs when he is requested to appear before a committee.

Mr. MORTON. In his letter of yesterday the Secretary made it clear that as soon as Mr. Hamil returns to Washington, he will be glad to appear before the committee.

AMENDMENT OF SECTION 22 OF THE INTERSTATE COMMERCE ACT—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill S. 939 to amend section 22 of the Interstate Commerce Act, as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee [Mr. KEFAUVER] to postpone, until January 30, 1958, at 2 o'clock p. m., further consideration of the conference report.

Mr. MAGNUSON. Mr. President, I wish to address myself for a few minutes to the pending business.

I believe that the very complex and unusual situation in which we find ourselves points up the necessity of something which should have been done a long while ago, and which I have advocated, but which I have never been persuasive enough with the Committee on Interstate and Foreign Commerce to achieve by way of enactment of proposed legislation which I introduced.

I think there is a real necessity for the outright repeal of section 22 of the Interstate Commerce Act, so that the Federal Government will pay the same rates that any citizen pays. Under such an arrangement, these situations could not occur. There would be ample free competition among all forms of transportation.

However, in view of the fact that the committee will again tackle this very important subject in January, and in view of the fact that it involves a cost of several million dollars to the United States Government, probably the better part of wisdom at this particular time would be to agree to the conference report.

However, I repeat that I am still strongly in favor of repeal of section 22 altogether, so that none of these untimely, unusual, complex, and somewhat inequitable situations can occur again.

Mr. HUMPHREY. Mr. President, I wish to address myself to the pending question, relating to the conference report on Senate bill 939.

This situation involves a most unusual procedure, in an unusual situation. This was openly admitted yesterday by the chairman of the conference committee, the Senator from Florida [Mr. SMATHERS], when he urged the adoption of the conference report on Senate bill 939.

The Senate was told—and I believe I am paraphrasing accurately the report of the chairman of the conference committee—that this was an imperfect bill. The Senate was told that hearings had not been held. The Senate was further told that no witness was heard representing those who were in opposition to the bill.

The Senate was also told that the information as to the moneys to be saved by favorable action upon the conference report was information obtained from a Pentagon official, who was never cross-examined. The official presented his own estimate as to what he thought the savings to the Government would be because of the so-called Harris amendment of the House to Senate bill 939.

Mr. President, I do not wish to labor the situation, but it seems to me that when we start to amend the antitrust laws, which are fundamental to the preservation of free enterprise—the antitrust laws which may be the difference between an America which has a free economy and an America which could have a controlled economy—no matter to whom the amendment is made to apply, we had better first have some discussion and some testimony from witnesses, and some cross-examination of the witnesses.

The power of big business in America today is such that it takes the courage of a warrior to stand up against it, and the stamina of a warrior to enforce antitrust laws.

The enforcement of laws is indeed quite an ordeal. Even the support of antitrust laws requires a good deal of perseverance and courage.

The railroads are no different than any other part of the American economy. They are entitled to all the protection of the laws. They are entitled to a fair profit. They are entitled to fair consideration by their Government. They are entitled to the business of their Government. They have been given all that—plus.

To exempt them from the restrictions and from the applicable portions of antitrust laws when they are doing business with the Government is to set a precedent which could lead to further requests in other areas of the American economy for the very same kind of exemption.

Recently, when the Mideastern oil crisis developed, after the debacle in the Suez, and when the oil supplies from the Middle East to Europe were cut off,

there was a temporary suspension of the antitrust laws relating to certain American oil companies, so that they could furnish oil to European countries, particularly our allies.

I suggest that that situation was of sufficient importance to call for a congressional investigation into it. As I recall, the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Colorado [Mr. CARROLL], and other Senators spent months in looking into this very point of the exemption of the oil companies from the antitrust law. I see on the floor the distinguished junior Senator from Wyoming [Mr. O'MAHONEY]. I again commend him for being a stalwart champion of free enterprise, for being the No. 1 trustbuster in modern times—I mean it—second only to Teddy Roosevelt. He walks in the same direction. We need more of that spirit in America.

I am not an expert on this subject. However, when antitrust laws are set aside, or an attempt is made to set them aside, it is time to put up the warning flag. Perhaps a good case could be made out for S. 939, as amended. It is fair to say, perhaps, that the case for the suspension of the antitrust laws, as contained in the bill, was made in the House of Representatives. However, how was it made? It was made by amendment on the floor of the House of Representatives, not by any committee action.

Here an attempt is made to modify the whole structure of American law. The attempt is made not only to modify it, but to strike it down insofar as it applies to railroads and other contractual relationships with the Government in the movement of American servicemen. It is proposed that that be done without any hearing and without giving any consideration and without any examination of the Government witnesses, and without any testimony from those who are opposed to the bill, and without even any testimony from those who are in favor of the bill.

The argument has been made—and it is an argument which has great appeal—that the passage of the law will save the Government \$100 million. The argument has been made by the Defense Department that unless the so-called Harris amendment, which is the substance, basically, of the conference report, is adopted, the Defense Department will have to spend an additional \$100 million during fiscal year 1958.

My question is, What is the authority for that figure? Who is responsible for it? We are told it is in a letter from a Major General Lasher, an officer in the Pentagon who is in charge of the Traffic Management Agency of the Department of Defense.

We are told that a letter has been sent by a Pentagon officer to the committee, and we are told that on the strength of that letter we should depart from the usual procedure of committee business and violate traditions of Congress by proceeding without holding any hearings whatever on the subject matter, much less on the bill. We are asked, on the basis of a letter, to amend drastically the antitrust laws.

Before Congress does such violence to its own procedures, it seems to me we would have to be confronted with a rather dire emergency. There seems to be no emergency that I can find which necessitates this type of action. I know that very few people, if any, have made the point that the Association of American Railroads has been pressing the very same argument which the Pentagon official has pressed, namely, that unless we accept the Harris amendment it will cost the Government \$100 million more than would be the case under existing procedures.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KEFAUVER. Does the Senator agree that it is a sorry plight we have come to when the great United States Government has to make another big exemption in the antitrust laws because of the threat of a common carrier that it is going to charge the Government more money? I have never seen anything quite so ridiculous and so belittling of the United States Government, as for these people to come forward and say, "Pass this bill or it will cost a lot of money to the Government. Modify the antitrust laws and give us another great exemption."

I think for that reason alone, if for no other reason, the Senate ought to stand up and tell them, "We are not going to approve your conspiracy, your concerted action, with a price tag on it."

Mr. HUMPHREY. I say to the Senator from Tennessee, who, like the Senator from Wyoming, has been another power of strength in the enforcement of antitrust laws, and of course a battler against monopoly, that there are many times when we could repeal a section of the antitrust laws to save the Government some money. I have heard that argument made, for example, with respect to the discount houses. Why does everyone buy at discount houses? It is said they buy at discount houses to save money. However, by that action legitimate businessmen are driven out of business. I say a man is entitled to a profit. I do not think it is right for a Government agency or any other institution to seek to buy commodities at the lowest price it can get, regardless of the consequences. We impose standards. We insist on the preservation of small business, and we insist that certain privileges be accorded to small business, in order to protect that segment of our economy.

As I said, what seems most unusual to me is the methodology which has been devised to bring the conference report before us. I do not criticize the distinguished Senator from Florida [Mr. SMATHERS]. I realize that the bill was the subject of House action, and that the House conferees insist upon their amendment. It is fair to say that the Senate bill did not contain the amendment. The Senator from Florida has said that he would prefer something different than the bill before us, but that this is what he has to present to the Senate. I suggest that once in a while

it is a good thing to tell the other House that we do not always accept their amendments.

Mr. LONG and Mr. LAUSCHE addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Minnesota yield; and, if so, to whom?

Mr. HUMPHREY. I yield first to the Senator from Louisiana; then I shall yield to the Senator from Ohio.

Mr. LONG. The point has been made that the Defense Department will have to pay about \$100 million a year more for freight in the event the amendment is not adopted than would be the case otherwise. I do not know how that figure was arrived at. However, I do know what I have observed of the way the Defense Department has done business in the transportation of freight in an area with which I am familiar, and in an area where I have lived. I have never seen more opportunities lost to economize by the Government than the failures on the part of the Defense Establishment to hold down freight costs.

I have seen this happen many times. I have seen cases affecting installations under Government control where the freight rate was rigged in such a way as to make it impossible for any other private enterprise to do any business on that basis. Then I have seen the Government sell the installation to a private concern, whereupon all the freight rates and switching charges were reduced, and then, when the Government came back into the same installations, all the rates went up again, because the Government was in control.

It is fantastic to see the extent to which that has been done. I feel sure that condition is duplicated many times throughout the country, where large amounts of money have been wasted.

I do not know on what theory the \$100 million saving on freight charges was based. However, it occurs to me, and I have mixed feelings on the amendment, that if we are to rely upon a \$100 million figure, as a basis for not enforcing the antitrust laws, it would be well to know how that figure was arrived at. I would like to know how the figure was computed.

Mr. HUMPHREY. I should like to inquire into that, also. The Senator from Ohio [Mr. LAUSCHE] undoubtedly is intimately informed on this subject. Perhaps he would like to make some comments on it.

Mr. LAUSCHE. The Senator from Minnesota is partially correct in his statement, that no hearings were held on the specific provision which is now being discussed on the floor of the Senate. But the fact is that the entire committee conducted extensive hearings on Senate bill 939, a companion bill.

Mr. HUMPHREY. Yes.

Mr. LAUSCHE. On page 101 of the hearings on the bill, S. 939, we find the testimony of Mr. Smith, the Director for Transportation and Petroleum Logistics, of the Office of the Assistant Secretary of Defense, at the Pentagon, Washington, D. C. He was questioned by the Senator from Florida [Mr. SMATHERS]. I read the following from the hearings:

How much would it cost the Government if section 22 were repealed or changed, as has been recommended in Senate bill 939? How much additional expense would it cost the Government?

Mr. SMITH. At the time I testified before the House committee last year, based on the then freight bills of the military departments, I estimated it would cost, if section 22 were eliminated, and all the rates went back to the tariff basis, the cost to the Government would be \$215 million per year. Based on the present freight bill, I testified before the House just a few days ago that the cost would be \$128 million per year.

That dealt with the question of whether section 22 should be repealed.

We decided that section 22 ought not be repealed. The Government's bill for such shipments is \$615 million a year. The Government is the largest shipper in the Nation.

The committee—unanimously, I think—decided that section 22 should not be repealed.

Then the carriers sent word to the Government, that, "Under the decision which was rendered, unless the law is amended, we shall have to discontinue giving you the reduced rates."

Based upon that testimony and upon the direct word of General Lasher, who stated that he was speaking for the Defense Department, the conclusion has been reached that the additional cost to the Government would be \$100 million, in the case of the Defense Department alone—I repeat, in the case of the Defense Department alone, without considering the other Government shippers.

Mr. HUMPHREY. The response made by the Senator from Ohio answers in part the Senator from Louisiana.

However, I must say that the statement by the general in the Pentagon—namely, that in this particular instance, there would be an additional cost of \$100 million a year for Government freight—was an assertion, and was not broken down in terms of what we might call a study of cost items. It was a general assertion.

Mr. KEFAUVER. Mr. President, will the Senator from Minnesota yield for a question?

The PRESIDING OFFICER (Mr. YARBOROUGH in the chair). Does the Senator from Minnesota yield to the Senator from Tennessee?

Mr. HUMPHREY. I yield.

Mr. KEFAUVER. That is the point which I think is so important in this case. One of the bureaus of the Interstate Commerce Commission has said that the section 22 rates are 13 or 14 percent higher than the comparable commodity rates available to commercial shippers.

General Lasher says one thing, but those who are directly involved say something else.

That is one of the reasons why I believe it is important to postpone further consideration of this conference report to a day certain, when we would not be acting under the whip of trying to relieve the railroads of the burden of the decision of the district court, which was against them. That is the moving force at this time.

By making such a postponement, we would have a chance to hold hearings and to find out who is correct, and the public could be informed, and those who say they will be put out of business would have a chance to be heard.

Does not the Senator from Minnesota believe that the members of the committee are entitled to that consideration?

Mr. HUMPHREY. I certainly do. I point out that the Pentagon has said that unless section 22, as it applies to Government business is maintained, there will be an additional cost to the Government. I wish to emphasize that point.

On the other hand, as the Senator from Tennessee has just pointed out, according to the Bureau of Transportation Economics and Statistics, of the Interstate Commerce Commission, as set forth in official publications in 1950 and 1952, the average level of quoted rates was 14 percent higher than comparable commodity rates available to commercial shippers. In other words, as the Senator from Louisiana has stated, the Government paid, on an average, 14 percent more to move similar commodities under rate schedules under section 22 than did private shippers. Yet the Pentagon says the Government will save money by having the conference report agreed to—and the conference report includes the Harris amendment, which in effect applies section 22 rate schedules.

Let me say that in 1953 and 1954 the Government's section 22 rates were, on the average, 13 percent higher than comparable commercial commodity rates. My interest in the economic phase of the matter is shown by the following question: What would lead one to the conclusion that the Government will get a better deal by means of section 22 rates than it would by means of the regular rate schedule, as applied to other shippers?

Mr. SPARKMAN. Mr. President, at this point will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. SPARKMAN. I should like to ask a question, and I invite the attention of the Senator from Florida [Mr. SMATHERS], the Senator from Ohio [Mr. LAUSCHE], and the Senator from Connecticut [Mr. PURTELL], if I may; all of them were members of the conference committee, I believe. It has been suggested that unless this amendment is agreed to the Government will be subjected to an additional cost of \$100 million. That statement has been made on the assumption that in that event the railroads will not be able to confer under section 22, and therefore they will not be able to give the Government the reduced rates, and therefore the rates applied to the Government will be higher.

But in its decision, the district court said the following:

Nothing—

Meaning nothing in its order or decree—
shall prevent or preclude defendants—

In other words, the railroads—
from submitting any rate quotations, concertedly arrived at, for the transportation of persons or freight for the Government of

the United States at free or reduced rates * * * pursuant to section 22 of the Interstate Commerce Act * * * without regard to the level of the rates.

If that is a correct quotation from the decision of the district court, what is there to prevent the railroads from continuing to give the Government free or reduced rates pursuant to section 22, even if they are arrived at in concert? How would they be hurt?

Mr. HUMPHREY. Mr. President, I am pleased that the Senator from Alabama has raised that point in the argument, because from what I knew of the decision by Judge McGarraghy—which I believe was rendered in July of this year—nothing in the decision would prevent the railroads from being patriotic or considerate of the Government's needs in time of emergency; nothing in the decision would prevent the railroads from offering to the Government rate schedules under section 22, after agreeing among themselves about the advantageous rates to which the Senator from Alabama has referred.

Perhaps the Senator from Florida [Mr. SMATHERS] can throw some light on that matter. Was the quotation a correct one?

Mr. LAUSCHE. Mr. President, let me say that it was only partially correct. It did not include all the decree.

Mr. SMATHERS. That is correct.

In addition, I should like to point out several things which I believe will help all of us in our thinking about this matter.

We must remember that in its decision, the court did not forbid the railroads, the water carriers, and the motor carriers to get together and, in concert, to fix rates, and to do so for all commercial shippers. So they have the advantage of that arrangement today, if they wished.

What Judge McGarraghy said was, in effect, "We are going to let that happen in the case of all the commercial houses, and they will get the benefit of it. But we do not believe it applies to the Government."

So, Mr. President, all we are concerned with now is whether the immunity granted under section 5 (a) applies to making of section 22 rates for the Government. The judge said that the railroads could not, in dealing with the Government, do what they could do in dealing with the commercial houses.

After further discussion, we concluded that the decision means the following: With respect to the rates charged to the Government, the carriers cannot work in concert, except in a certain way, which means end on end. In other words, if a shipment begins with the Pennsylvania Railroad and is to go all the way to Florida, later the shipment will be carried by the Atlantic Coast Line, and later it will be carried by the Florida East Coast Line—end on end. The decision is that this can be done by the end-on-end carriers making up the route over which the traffic is to move.

But as of today, under the court decision with respect to section 5 (a), in the case of section 22 rates on shipments which travel through the whole area—which means one end-on-end group of

carriers and another such group, which parallel each other, and which now act in concert—the decision is that they will not be allowed to act in concert, in parallel lines. That is the distinction the judge was trying to draw.

So, in effect, he was saying, "The railroads will not be permitted to give the Government the advantage which the railroads can give the commercial shippers."

Our point is that if such an advantage is to be given to the commercial shippers, why should the Government be punished? Why should not the same advantage also be given to the Government, to the taxpayers of the Nation?

The Atomic Energy Commission has written a letter saying that it is to the advantage of the Government to have the Harris amendment go into effect; and the Department of Defense and the other governmental agencies have said the same.

I hope what I have stated answers the question of the Senator from Alabama.

Mr. SPARKMAN. I should like to pursue the matter a little further.

I now have before me a copy of the decision of Judge McGarraghy, or his decree or order. It is true that what I read did not include all the words used in the order, but I believe it included the entire substance of it. I shall be very glad to read the entire paragraph into the RECORD. I think it would be well for the RECORD to show it. I am not an expert on these matters. I submit that perhaps I do not interpret the decision correctly.

Mr. LAUSCHE. The language which the Senator from Alabama read did not contain at all the gist on which the decision was based. It did not contain the language which dealt with disconnected lines rather than connected lines. That is in further explanation of that given by the Senator from Florida.

Mr. SPARKMAN. It may very well be that some of the language—

Mr. HUMPHREY. I suggest that the Senator from Alabama read it into the RECORD, so that we may have an understanding of what the bill is about. I may say to the Senator from Florida I am very grateful for his listening to the discussion. He has been most patient for 2 days with respect to action on the conference report. I have no ax to grind. I have no particular bias about it. I was concerned about what I considered to be an exemption from the antitrust laws. I have talked to the Senator privately about it. He has been most considerate in delaying the bringing up of the conference report, until we have had time to look into the matter. It may be helpful to the purposes we are trying to accomplish.

Mr. SMATHERS. I am grateful for the very temperate and reasoned attitude of the Senator from Minnesota, which he always exhibits. Particularly on this matter under discussion at the present moment, I think it would be helpful to state, as we have stated over and over again, that we were faced with a situation rather than a theory. As conferees, we attempted to resolve it as

practical men, trying, insofar as possible, to maintain the status quo, as the act has existed since 1948, when the Reed-Bulwinkle bill was passed. Although such actions would be in violation of the antitrust laws, they have been granted immunity. Even airlines have been granted such immunity. We felt we would try to maintain the status quo until next year, when section 22 could be repealed, or the Reed-Bulwinkle provision could be repealed.

Mr. HUMPHREY. That was the substance of the argument by the Senator from Washington.

Mr. SMATHERS. That is correct.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Alabama.

Mr. SPARKMAN. I will ask the Senator from Minnesota this question. Has he seen the decree handed down by Judge McGarraghy?

Mr. HUMPHREY. Yes; I have.

Mr. SPARKMAN. I wonder if he has read section (c) subsection 4, which reads as follows:

Nothing provided in subparagraphs (1), (2), or (3) above shall prevent or preclude defendants and each of them, their officers, directors, servants and employees and all persons, natural and corporate, acting for or in concert with each or any of them or under their control, direction, permission, or license from submitting any rate quotations, concertedly arrived at, for the transportation of persons for the Government of the United States at free or reduced rates under and pursuant to section 22 of the Interstate Commerce Act, as amended, (49 U. S. C., 22), without regard to the level of the rates, where such rate quotations are made for through transportation between any 2 specific points over a single route, portions of which are operated by 2 or more railroads, nor shall the provisions of subparagraphs (1), (2), or (3) above require defendants and each of them, and their officers, directors, servants and employees, and all persons, natural and corporate, acting for or in concert with each or any of them, to discriminate as to such rate quotations between 2 or more railroads connecting with any defendant railroad in offering through transportation between any 2 specific points over a single route; nor shall the provisions of subparagraphs (1), (2), and (3) above apply to the making of rate quotations for traffic not in competition with the 4 named plaintiff air carriers or any other presently noncertified air carrier similarly situated who may thereafter be permitted by order of the court to intervene;

Mr. HUMPHREY. What the Senator is saying is that in the judge's decree there is plenty of room for protection of the Government's interests where two or more railroads are handling the business going from one point of destination to another. That is what the decree suggests, in language which is perhaps more formal than I have stated it, but I think I have adequately paraphrased it.

Mr. SPARKMAN. I think the decree does that, and it seems to me it gives ample protection. With reference to the talk about a saving of \$100 million, I want to say I have been considerably concerned about that, but it is my understanding that this case was decided by Judge McGarraghy based on the railroad's own statements that the gross rev-

enue—this is not extra cost or the down part, but the gross revenues—from the enjoined practices; namely, the practices for which the suit was brought amounted to \$8 million annually. I do not see where the amount of \$100 million comes in. That has been a puzzlement to me.

Mr. HUMPHREY. It is a puzzlement to the Senator from Minnesota. I stated earlier that it appears to me when a Pentagon official, honorable as he may be, and informed as he may be, states in a letter to a Senate committee that there is involved a saving of \$100 million, it requires more than the receipt of the letter and its reading or printing to prove the authenticity of the statement.

I would also note, on the information we have from the Interstate Commerce Commission Bureau of Transportation Economics and Statistics, which was alluded to by the Senator from Alabama, and subsequently by the junior Senator from Minnesota, which we find in the subcommittee hearings of the other body, that according to hearings before the Subcommittee of the Committee on Interstate and Foreign Commerce of the House—84th Congress—on Transportation Policy conducted from April 24 to May 8, 1956, section 22 rates were considerably higher than regular rates charged the commercial shipper.

For instance, within Mountain Pacific territory, section 22 traffic pays the railroad \$36.37 per ton and 6.06 cents per ton-mile, as compared with commercial rates at \$19.40 per ton and 4.34 cents per ton-mile. On transcontinental traffic having its origin or destination in Mountain-Pacific territory, the section 22 traffic pays \$90.79 per ton and 5.05 cents per ton-mile, as compared with \$78.87 per ton and 4.03 cent per ton-mile on commercial shipments.

So the so-called savings under section 22, of which such a point has been made, have at least, in the ICC's economic analysis, not been quite so meaningful as we have been led to believe.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Ohio.

Mr. LAUSCHE. The Senator from Florida questioned the witnesses on this very subject. They told of the reduced rates. It was further stated that in some instances carriages were made at a loss, so the Senator from Florida, as shown on page 36, put this question:

Senator SMATHERS. The point that I still don't understand is this: You say that transportation companies still will let the Government, in effect, browbeat them or force them—there is no coercion or there is nothing of that nature, is there?

Mr. CLARKE. No.
Senator SMATHERS. Requiring them to take the contract?

Mr. CLARKE. No. It is entirely voluntary.
Senator SMATHERS. Which results in a loss to them, and they still take it?

Mr. CLARKE. Yes. Sometimes, as Senator PURTELL pointed out, it is better to take a loss, a small loss, than to have idle equipment, we will say.

Then a question was put to Mr. Clarke by Mr. Barton, transportation counsel for the subcommittee, as appears on page 37:

Mr. BARTON. Mr. Chairman, isn't it true that all the studies that have been made of this subject show, not that the Government pays less than commercial shippers but, on the whole, pays more?

That question was pursued by the committee.

Mr. HUMPHREY. Yes.

Mr. LAUSCHE. I continue to read:

Mr. Clarke, Chairman of the Interstate Commerce Commission, answered:

No. There is only one study that even intimates that, and that is the one by our Bureau of Transport Economics and Statistics. However, the very fact that section 22 rates are just reduced rates seems to answer the question. There would be no purpose in the Government negotiating a rate that is higher than the published tariff rate, because they are free to use that any time they want to. The only time they avail themselves of section 22 quotations is when they want to move traffic at below the published tariff rate.

Mr. HUMPHREY. I am grateful to the Senator from Ohio.

Mr. LAUSCHE. We plunged at that question. It was struck at. That is the identical point the Senators are trying to make.

Mr. HUMPHREY. I hope the Senator will realize that when another Senator who is not a member of the committee receives a report from the Bureau of Transport Economics and Statistics of the Interstate Commerce Commission, to the effect that the rates under section 22 are higher than the commercially listed rates, it makes him wonder. Therefore, as I have said to the Senator from Florida, it appeared to me that some of the economic statistical evidence would have been much more understandable, and I think much more sound and convincing, had it been the result of work in the conference committee, with some help from the statisticians and economists of the ICC.

Mr. SMATHERS. I agree with the Senator.

I think, in furtherance of what the Senator from Ohio has said, we can get some idea about this subject and establish the fact that the railroads do offer to the Government rates below published rates, by looking at the complaint which the nonscheduled airlines filed in the district court, wherein they say that the variable spot rates quoted on individual movements and on a move-by-move basis vary to as much as 50 percent below the regularly published tariffs.

I am very sympathetic to their problem. They tell us, in fact, that there is no saving, because the Government pays rates higher than the published rates; yet in their own brief that is what they say.

Mr. HUMPHREY. In their own brief they tell us that the rates are lower.

Mr. SMATHERS. I should like to read one statement from the judge's decision. The judge states:

Commencing in 1953, the defendants began the practice of making concerted quotations to the Military Establishment of special rates varying to as low as 50 percent below the defendants' regularly filed tariffs.

That was the judge's finding. It is asked: "Where is the saving?" There

has been a great saving to the Government.

With respect to the figures mentioned by the Senator from Minnesota, I was disturbed about them, because I also had seen those figures. However, it turns out that the actual explanation is that the figures quoted the per ton-miles and car-mile figures for Government traffic. In fact, when the haul is for the Federal Government the cars are loaded heavier to start with, a heavier loading than for the ordinary shippers, with the result that on certain of the long hauls the carrier does get more than would be gotten from a commercial house. The material is packed in, and it is not given exactly the same service.

There is still a saving to the Government, even though, as has been pointed out, the figures indicate more attractive earnings for the railroads.

Mr. SPARKMAN. Mr. President, will the Senator yield to me in that connection?

Mr. HUMPHREY. I yield.

Mr. SPARKMAN. I wish to ask as to whether the reduced rates were applicable generally, or whether they applied only in those areas where there was competition from other carriers.

Mr. SMATHERS. My information is that they were applied almost exclusively in the area where there was competition.

I will agree with the Senator—all the members of the conference committee agreed, and we went over this again and again—that the nonskeds have an important part in the Government in the transportation picture. It would be most unfortunate if they should disappear. We would not want to have them disappear, because when they come into the picture the railroads have to lower their rates. Competition does that.

The conference committee have indicated that at the beginning of next year, we want to put the nonscheduled airlines on an equal competitive basis with the railroads, the motor carriers, and the water carriers. That statement was put in the RECORD by the House; it was so stated on the floor.

We do not think what is suggested is the way to accomplish the desired end. We think the better way to do it would be next year to amend the Civil Aeronautics Act, allowing to the nonskeds the same privileges given to the railroads under section 22 and section 5 (a).

Mr. HUMPHREY. The Senator agrees, does he not, that the competition which has come from the air carriers, the nonskeds in particular, has had a tendency to bring about a saving to the Government?

Mr. SMATHERS. Absolutely.

Mr. HUMPHREY. Because of the factor of competition?

Mr. SMATHERS. I agree.

Mr. HUMPHREY. Does the Senator agree that the reduced rates which the railroads frequently talk about are the result of competition, which comes into the area from the nonscheduled airlines and other carriers?

Mr. SMATHERS. Absolutely. I completely agree.

Mr. HUMPHREY. Let me ask another question, so that the legislative record will be crystal clear. Does the bill which

comes from the conference committee, which is before the Senate, in any way prejudice the legal rights of the parties in the case at law which was adjudicated in the District Court, I believe, on July 5, in which Judge McGarraghy sat? Does it in any way prejudice any appeal or any further litigation?

Mr. SMATHERS. I will say to the Senator from Minnesota that on page 2 there appears this language, which was put in the RECORD on the House side by Representative DINGELL, of Michigan, I believe.

Provided, That nothing in this paragraph shall affect any liability or cause of action which may have accrued prior to the date on which this paragraph takes effect.

As a matter of fact, we have gone further, because the statement filed by the House conferees, which we have also made a part of our RECORD, goes so far as to say that it is the hope of the conferees that this in no way will affect any legal cause of action which is now in existence or which might include any person or corporation by reason of alleged acts on the part of certain railroads. We are doing everything we can as a practical matter not to bar such proceedings. It may be that the effect of the action will bar them. Our answer to that is that, after all, many other people have rights in this matter in addition to the four nonscheduled airlines.

Mr. HUMPHREY. In other words, the Senator interprets the proviso as written into the amendment to the bill, which comes from the conferees, as within the language of the conference report which has been made available to Members of both Houses?

Mr. SMATHERS. The Senator is correct.

Mr. HUMPHREY. In other words, no rights of litigation or further proceedings in law are prejudiced, as the Senator sees it, by the conference report?

Mr. SMATHERS. The Senator is correct.

Mr. PURTELL. That is the opinion of the Senator from Connecticut, also. We were firm in our belief that that ought to be the understanding of the committee, and it was.

Mr. HUMPHREY. Was the conference report a unanimous report?

Mr. SMATHERS. No. The junior Senator from Texas did not sign it. Everyone else signed it. It was not unanimous, however.

Mr. HUMPHREY. Mr. President, I desire to yield the floor after one observation.

I have never been particularly happy about the Reed-Bulwinkle law itself. As I recall, the law was passed in the 80th Congress, and became effective in 1948. It has always seemed to me that this particular statute was fraught with many dangers to the whole body of law relating to the control and regulation of monopoly and to the antitrust laws.

I remember that in my campaign for the Senate in 1948 I assailed the Reed-Bulwinkle Act. It is now almost 9 years later, and I have not changed my mind one bit. I do not think the Reed-Bulwinkle law is a good law. I think the Reed-Bulwinkle law was meant to extend primarily to commercial enterprises, and

the attempt now is to extend it, by the action proposed, to the Government, so that we are asked to compound what I called a just grievance in the beginning.

I shall yield the floor. I have tried to make my point. There are other Senators who desire to be heard. I shall remain openminded and ready to yield to the rule of reason.

Mr. YARBOROUGH. Mr. President, will the Senator from Minnesota yield for a question?

Mr. HUMPHREY. I am sorry; I have yielded the floor.

Mr. SCHOEPPPEL. Mr. President, I concur with the junior Senator from Florida and the junior Senator from Ohio with reference to what we have attempted to do in the conference report on S. 939, which is now before the Senate. The manner in which this bill was originally passed by the Senate and the manner in which a similar bill was originally passed by the House has been described in full by the distinguished Senator from Florida. No good purpose would be served by my retracing these steps.

The amendment made by the House, and acquiesced in by our conferees, is designed to protect the tremendous interest of the Department of Defense in its present method and manner of doing business with the common carriers of this country.

The necessity for the amendment was brought about by a court opinion which, contrary to the intention of the Congress, would deprive the agencies of the United States Government and the carriers of a long-established method of ratemaking.

This method the Department of Defense has said is the only feasible way by which the carriers may meet its transportation demands both in times of peace and times of war. If the Court's opinion that section 5a of the Interstate Commerce Act does not apply to the making and carrying out of section 22 quotations for transportation services furnished the United States Government is a correct interpretation of the present law, then, without enactment of the amendment made by the House, the Department of Defense alone will suffer increased costs of over \$100 million annually. And this, I might say, is contrary to the very intention of Congress in enacting section 5a of the Interstate Commerce Act.

This possible effect upon the Department of Defense and other government agencies led both the Senate and House of this Congress to reject bills that would have repealed in large measure section 22. But the Court's opinion would in effect do what we declined to do.

I am impressed, as I believe we all are, with the importance of this matter and the necessity of assuring that congressional intent will receive full recognition in the future. Briefly, the situation is this:

In 1948 Congress enacted section 5a of the Interstate Commerce Act, the so-called Reed-Bulwinkle Act. It is not necessary for us to determine that section 5a should apply to the making of section 22 quotations, since that decision was made at the time section 5a was enacted after a most careful and exhaus-

tive consideration of the necessity for the conference method of ratemaking.

The legislative history leaves no doubt in this respect. Subsequent to the passage of section 5a, the carriers submitted numerous carefully drafted agreements to the Interstate Commerce Commission for approval under the provisions of that section.

Extensive public hearings were held, with the Department of Justice actively participating therein.

The Interstate Commerce Commission approved these agreements with such modifications and amendments as it deemed desirable in the public interest. Since that time the carriers, and the Government agencies to whom they quote rates, have operated under the assumption, and properly so, that section 5a would apply to the making of section 22 quotations.

Today there are outstanding numerous quotations made pursuant to the provision of those agreements. Under the court's opinion the Government would be deprived of the use of such quotations and any future quotations under these agreements would be violative of the antitrust laws.

It is essential, therefore, that this Congress assure that there no longer shall be any question as to whether section 5a shall apply in the future to the making of section 22 quotations. It is essential that action be taken so that the carriers can continue to offer and the Department of Defense and other governmental agencies can continue to accept and utilize section 22 quotations arrived at through the conference method of ratemaking.

This is the very method which the Department of Defense has repeatedly stated is the only practicable way in which it and the railroads can handle their businesses.

Moreover, in assuring the future application of section 5a, the carriers, the Interstate Commerce Commission, Government agencies, and the interested public should not be required to repeat the lengthy and costly processes of hearings that have already been gone through in obtaining Interstate Commerce Commission approval of agreements providing for this conference method of ratemaking, including section 22 quotations.

All this the amendment made by the House, and agreed to by the conferees, will make clear. In the form submitted, the amendment is not retroactive legislation and it does not destroy past accrued rights, whatever they may be.

When the amendment was being considered on the floor of the House its proponents made clear that it was not intended to, nor was it retroactive legislation as such.

It was made clear that, in and of itself, it would not retroactively destroy past accrued rights or dissolve past incurred liabilities. To make this doubly clear, the House saw fit to adopt an additional amendment in the form of a proviso stating:

That nothing in this paragraph shall affect any liability or cause of action which may have accrued prior to the date on which this paragraph takes effect.

The effect, then, of approving the House amendment contained in the conference substitute will be to assure the carrying out in the future of the intent of Congress and to leave with the courts the question whether, in the past, the congressional intent was successfully carried out through the enactment of section 5a in 1948.

Mr. SPARKMAN. Mr. President, I was hoping to be able to address a few questions to the Senator from Florida [Mr. SMATHERS]. Perhaps he will be in the Chamber later.

First, let me say that I am greatly in sympathy with the position in which the conferees found themselves. I think the Senator from Florida, chairman of the conferees on the part of the Senate, made a very fine statement with reference to the position in which the conferees found themselves. I think it is a risky business, in dealing with the antitrust laws, particularly in this complex field of transportation, to act with such scant consideration. It is for that reason that I have been greatly concerned.

I note the presence in the Chamber of the Senator from Ohio [Mr. LAUSCHE]. Perhaps I can address a question to him.

We were told a while ago that pending lawsuits were not affected, and the Senator from Ohio referred to the proviso which was added on the floor of the House. I should like to ask for an interpretation of clause (a) in the same section, which provides:

But such provisions shall continue to apply as to any agreement so approved by the Commission, under which any such quotation or tender (a) was made prior to the effective date of this paragraph.

It seems to me that that provision actually takes away the cause of action, although the Dingell amendment attempts to save this one single cause of action, or the damages accruing from it. I ask the Senator from Ohio if I am correct in that interpretation.

Mr. LAUSCHE. It is my understanding—and it is the purpose of the conferees—that any causes of action vested in any one under section 22 and the antitrust laws, having accrued prior to the passage of this bill, shall not be affected.

Mr. SPARKMAN. In any way whatsoever?

Mr. LAUSCHE. None of the causes of action pending or accrued shall be affected.

The language just read by the Senator from Alabama was inserted because the Defense Department said that unless the provisions of the law were continued, there would be the process of having to file new applications with the Interstate Commerce Commission; new hearings would have to be held, with notices given; there would be possible lawsuits filed challenging the granting of the new applications—all delaying the effective date of section 22 for a protracted period of time.

Mr. SPARKMAN. I appreciate the explanation by the Senator from Ohio.

Mr. PURTELL. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. PURTELL. I should like to answer the question, if I may.

I think we have gone a little far afield when we are pinning all our discussions on the question of the amount of money which might be involved.

Mr. SPARKMAN. I agree wholeheartedly with that statement. This is a question which I wished to ask a while ago. Is the antitrust law for sale for \$100 million? That is what it amounts to.

Mr. PURTELL. It amounts to a great deal more. Let me point out to the Senator from Alabama that, as a matter of fact, in the letter and memorandum we received from General Lasher, he points out a significant fact which has been forgotten. This was no compelling argument or reason for any action I took, or any action any member of the committee took. When we come to the question of cost, he points out, as shown on page 14022 of the CONGRESSIONAL RECORD for yesterday:

Further, all carriers are required by law to move people and things at the legal rate. The court's decision renders illegal all rates arrived at by the conference method and offered the Government under the provisions of section 22 of the act at least since 1948. Being required, therefore, to charge the legal rate, carriers would be legally obligated to file claims for the undercharge differences thus accrued. Including as it does the Korean emergency and its high volume movement, this period could produce lawful claims almost incalculable in total.

That is the truth. I do not think we are talking about \$100 million. If what I have read is so, we are probably talking about many times that amount.

I should like to address myself, rather, to what we really have before us. We have section 22, and we have section 5 (a), which concerned the conferees in their deliberations.

Section 22 goes back to 1887, and it clearly states:

Nothing in this chapter shall prevent the carriage, storage, or handling of property free or at reduced rates for the United States, a State, or municipal governments, or for charitable purposes, or to or from fairs and expositions for exhibition thereat—

And so forth. In 1948 the so-called Reed-Bulwinkle Act was passed. That provides, in paragraph 2:

Any carrier party to an agreement between or among two or more carriers relating to rates, fares, classifications, divisions, allowances, or charges (including charges between carriers and compensation paid or received for the use of facilities and equipment), or rules or regulations pertaining thereto, or procedures for the joint consideration, initiation, or establishment thereof, may, under such rules and regulations as the Commission may prescribe, apply to the Commission for approval of the agreement, and the Commission shall by order approve any such agreement (if approval thereof is not prohibited by paragraph (4), (5), or (6) if it finds that, by reason of the furtherance of the national transportation policy declared in this act, the relief provided in paragraph (9) should apply with respect to the making and carrying out of such agreement.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. PURTELL. Let me finish, and then I shall be glad to answer questions.

Mr. SPARKMAN. Mr. President, I have the floor.

Mr. PURTELL. I beg the Senator's pardon. Of course I recognize that fact.

Mr. SPARKMAN. If the Senator wishes to add something further, I yield for that purpose. I merely wanted to keep the RECORD straight.

Mr. PURTELL. The Senator does have the floor. Will he yield to me for a further answer?

Mr. SPARKMAN. I yield to the Senator from Connecticut.

Mr. PURTELL. A question was raised as to whether in fact section 22, which gave the right to carry the goods of the Government free or at reduced rates, was a violation of section 5 (a). It is interesting to note that since the Government has been using section 22, there has been no governmental agency which has ever questioned the validity of operating under that section. The Department of Justice has never claimed it, or raised that question. The Government has been operating under that section.

Mr. SPARKMAN. Mr. President, will the Senator yield for a moment at that point?

Mr. PURTELL. I am happy to yield.

Mr. SPARKMAN. Was the Department of Justice consulted regarding the amendment?

Mr. PURTELL. To the best of my knowledge, it was not.

Mr. SPARKMAN. That is something that is of great concern to me. We established an Antitrust Division in the Department of Justice, which is supposed to enforce the antitrust laws; yet here we knock a big hole in the antitrust laws without consulting the Antitrust Division of the Department of Justice.

Mr. PURTELL. May I point out that section 5 (a) —

Mr. SPARKMAN. I wish the Senator would give me an answer to that question.

Mr. PURTELL. I wish to point out that the reason for section 5 (a) was to transfer —

Mr. SPARKMAN. No, no. I should like to know the reason for not consulting the Department of Justice.

Mr. PURTELL. I would say, insofar as the Senate conferees were concerned, we did not have occasion to do that.

Mr. SPARKMAN. I realize that is true. Again I think it is a terrible indictment of the whole procedure that the Senate committee never had an opportunity to consider this all-important measure dealing with the antitrust laws of our country.

Mr. PURTELL. But I point out, insofar as section 22 and section 5 (a) are concerned, what the Chairman of the Interstate Commerce Commission says. I am not defending the railroads, and I subscribe wholeheartedly to what the Senator has said. The only reason why I signed the conference report was that the Dingell amendment was added to the bill. However, let me say to the Senator from Alabama that I have read the letter of the chairman of the Interstate Commerce Commission. That letter is printed in the CONGRESSIONAL RECORD at

page 14022. This is what the Chairman of the ICC says:

DEAR SENATOR SMATHERS: This is in response to a telephonic inquiry from Mr. Frank Barton requesting an expression by the Commission concerning the relation between section 5a and section 22 of the Interstate Commerce Act in connection with proposed legislation which would amend section 22.

Section 22 now provides, among other things, That nothing in this part shall prevent the carriage, storage, or handling of property free or at reduced rates for the United States * * * or the transportation of persons for the United States Government free or at reduced rates. This provision removes such rates from the jurisdiction of the Interstate Commerce Commission insofar as the power to prescribe minimum rates and fares is concerned.

Section 5a (2) provides Any carrier party to an agreement between or among two or more carriers relating to rates, fares, * * * may * * * apply to the Commission for approval of the agreement * * *. Under section 5a (9) such approval relieves the parties to the agreement from the operation of the antitrust laws.

Section 5a (9) is the immunity section.

The question arises as to whether the term rates as used in section 22, is coextensive in meaning with the words rates and fares as they are used in section 5a. As we see it, they are coextensive in meaning in the absence of any specific language to the contrary. The mere restraint upon the Commission's jurisdiction over rates under section 22 would not, in my view, make it inappropriate for the Commission to pass upon agreements relating to such rates and fares under section 5a. I do not believe that this view would in any way run counter to or be inconsistent with the broad intent of Congress in enacting section 5a. Although the Commission has not had occasion to pass upon this particular question, we have approved agreements which included the processing of section 22 proposals. I believe, therefore, that such approval would bring section 22 proposals thereunder within the purview of section 5a (9) of the Interstate Commerce Act.

We had this evidence —

Mr. SPARKMAN. Before the Senator gets away from that point, may I ask him a question? Of course the part the Commission plays there is not in approving rates, but in approving agreements relating to rates.

Mr. PURTELL. The Senator is correct.

Mr. SPARKMAN. Under section 5 (a) (9) what is the procedure that is followed? Does it not require prior notice and approval? Is not the effect of the proposed legislation to take away that necessity and to say in effect that something that has already been done is right?

Mr. PURTELL. Let me read section 5a (9). It reads:

Parties to any agreement approved by the Commission under this section and other persons are, if the approval of such agreement is not prohibited by paragraph (4), (5), or (6), hereby relieved from the operation of the antitrust laws with respect to the making of such agreement, and with respect to the carrying out of such agreement in conformity with its provisions and in conformity with the terms and conditions prescribed by the Commission.

This is rather clear. It says that any party to an agreement under section 5a

(2), if the Interstate Commerce Commission has approved the agreement —

Mr. SPARKMAN. Under 5a (9) the approval is supposed to be of agreements which have already been made and notice of which has been given. It is not an approval in advance for them to make an agreement. The bill, in effect, turns it around and gives them the right to approve an agreement to be made.

Mr. PURTELL. I must disagree with the Senator from Alabama.

Mr. SPARKMAN. I have stated my understanding.

Mr. PURTELL. Let us read from the bill:

(2) All quotations or tenders of rates, fares or charges under paragraph (1) of this section for the transportation, storage, or handling of property or the transportation of persons free or at reduced rates for the United States Government, or any agency or department thereof, including quotations or tenders for retroactive application whether negotiated or renegotiated after the services have been performed —

In these particular cases, let me point out, the Government has no other recourse but to adopt that course, because of the nature of the goods shipped — shall be in writing or confirmed in writing and a copy or copies thereof shall be submitted to the Commission by the carrier or carriers offering such tenders or quotations in the manner specified by the Commission and only upon the —

And so forth.

Mr. SPARKMAN. Yes, yes. I wish to say to the Senator that in all that language there is not one word that differs from the statement I have made. All that relates to a time after the act, not before. There is nothing requiring prior notice. As I understand, the Senator from Connecticut says that is necessary because of the nature of the services. I agree with him.

Mr. PURTELL. It is necessary in many instances.

Mr. SPARKMAN. Yes; I agree with the Senator.

Mr. PURTELL. In many instances.

Mr. SPARKMAN. However, let me say that I did not intend to get into a discussion of the legal aspects of this subject. The Senator from Tennessee [Mr. KEFAUVER], who has started that discussion, will be back later and will continue it. What I wanted to do was to ask some questions. I see the Senator from Florida [Mr. SMATHERS] on the floor. I particularly wanted to ask some questions so as to establish a record in connection with this matter. For instance, the statement was made a few minutes ago, in a discussion between the Senator from Florida and the Senator from Minnesota, that the nonscheduled airlines were the complainants in the case.

Mr. SMATHERS. The Senator is correct.

Mr. SPARKMAN. They were four different nonscheduled airlines.

Mr. SMATHERS. The Senator is correct.

Mr. SPARKMAN. I do not know which airlines they were. I hold no brief for any particular nonscheduled

airline, but I know that several year ago the Small Business Committee, of which the Senator from Florida is a member, held rather extensive hearings on the matter and submitted a report.

Our decision was that there was a useful service to be performed by these airline carriers and that utilization ought to be made of their services. We did not particularly tell CAB how they should do it, but certainly it was felt that their services were a useful part of our overall transportation system. I understand from the statement of the Senator from Florida that he still subscribes to that view.

Mr. SMATHERS. The Senator is absolutely correct. As a matter of fact, in this particular field, relating to section 22 rates, I believe the nonscheduled airlines have rendered great service to the general taxpayers of the Nation, because it has been their competition which has caused the railroads to lower their rates even below what they would ordinarily be under section 22.

Mr. SPARKMAN. Was there a stipulation of fact in the case before Judge McGarraghy?

Mr. SMATHERS. My understanding is that there was.

Mr. SPARKMAN. At any rate the facts were not disputed. The judge found the railroads had reduced their rates in many cases lower than they should have.

Mr. SMATHERS. The Senator is correct.

Mr. SPARKMAN. In order to compete with the nonscheduled airlines. Is it not true that in the Korean airlift, and generally in the transportation of men and supplies to our forces overseas, the nonscheduled airlines with their equipment have rendered valuable service to the Defense Department of the United States?

Mr. SMATHERS. The Senator is absolutely correct. They have rendered great service. As a matter of fact, they continue to render great service. It is very important that Congress do something to put them on an equal competitive basis with the railroads in the matter of competing for section 22 business, which is the business of the Government.

Mr. SPARKMAN. By the way, Mr. President, something was said here about the need to make certain that this segment of the transportation system will be available. When that was said, I happened to look at a list of air carriers which have been put out of business in recent years. I find that 16 airlines have been put out of business since October 16, 1953, and the last one was put out of business as recently as December 7, 1956. In other words, there has been a rather regular or steady line of funerals, so to speak, of airlines which have been put out of business.

Let me say that I appreciate the statement of the Senator from Florida, namely, that something should be done about this matter. I wonder whether we shall be able to do something early enough in the next session, in order to make certain that this useful segment of the transportation industry will be given a fair break—certainly it does not ask

for any advantage—along with the railroads, in connection with handling the business of the Government.

Mr. SMATHERS. I would say as an individual Senator, that I certainly hope so. I must say that in the conference committee the Senator from Ohio, the Senator from Kansas, the Senator from Connecticut, the Senator from Texas, and all the conferees on the part of the House of Representatives agreed that something should be done for the nonscheduled airlines, in order to make them competitive in this field.

The very distinguished chairman of the Aviation Subcommittee, the junior Senator from Oklahoma [Mr. MONRONEY], is in the Chamber at this time, and I have reason to believe that he shares the desire to do something about the plight of the nonscheduled airlines.

Mr. LAUSCHE. Mr. President—

Mr. SPARKMAN. Before I yield to the Senator from Ohio, let me say, in all fairness, that I have a large question mark in my mind as to the wisdom of this proposed action. I do not say that something should not be done. But when we begin to tinker with the antitrust laws, without having a thorough committee hearing, and particularly without hearing from representatives of the Antitrust Division of the Department of Justice, to see what it has to say about the matter, I believe we are playing with fire. So I regret to see this action taken.

I am not saying that against the railroads. I believe in the railroads. They have played a most important part in the economic life of the Nation, and they still do.

I voted against the Reed-Bulwinkle bill. As a matter of fact, I voted against the Reed-Bulwinkle bill when I served in the House of Representatives, at which time I was 1 of 45 Members of the House of Representatives who voted against it. Later, when I became a Member of the Senate, I voted against the bill again; and before that I spoke against it. I regretted to see it become law, because I felt that it very definitely weakened our antitrust laws.

Mr. SMATHERS. Mr. President, let me say to the able Senator from Alabama that I believe the way to satisfy his anxiety—and of course all of us were somewhat anxious and disturbed about the particular procedure which the conferees now have proposed be adopted—is to point out that we were faced with a factual situation, not with a theory.

Mr. SPARKMAN. Let me say that at a time when the Senator from Florida was out of the Chamber, I referred to the very fine statement he made last night, and I have said that I appreciate the position in which the conferees found themselves.

Mr. SMATHERS. If the same situation develops next year, in connection with the Reed-Bulwinkle bill, and if I am still chairman of the Transportation Subcommittee, certainly we will be glad to have hearings held on this matter.

Mr. SPARKMAN. I hope we can have a rather definite promise from the Senator from Florida—and I take it that what he has just stated is a promise—and also from the Senator from Okla-

homa [Mr. MONRONEY], who is chairman of the special committee, that help will be given in drafting, preparing, introducing, and getting action taken on proposed legislation which will give the nonscheduled airlines an equal opportunity—no favors, no advantages, but just an equal opportunity.

I realize—and the Senator from Florida has made this clear, in connection with the conference report; and it is made very clear in the statement by the managers on the part of the House—that in this case we are dealing with the Interstate Commerce Commission, whereas the nonscheduled airlines come under the jurisdiction of the Civil Aeronautics Board.

Mr. SMATHERS. That is correct.

Mr. SPARKMAN. So the conferees were dealing with two separate acts. I realize that proposed legislation dealing with the nonscheduled airlines will have to be amendatory of the Civil Aeronautics Act.

But let me say that although I would regret to see the conference report acted on favorably, yet I, for one, would feel much better if we had assurance on the part of the Senators who handled the conference report that every assistance will be given early in the next session so as to make certain that other nonscheduled airlines will not have to be added to the list of those which have had to go out of business.

Mr. SMATHERS. I gladly give the Senator from Alabama assurance that I will do all within my limited capacity to bring about equality on the part of the nonscheduled air carriers in their endeavor to obtain section 22 business.

Mr. SPARKMAN. I wonder whether the Senator from Ohio feels the same way about that matter.

Mr. LAUSCHE. Mr. President, the conference report indicates the belief of the conferees that under the Civil Aeronautics Act the nonscheduled air carriers can now submit rates based upon concerted action. However, there is a question concerning the absolute legality of that declaration.

From my standpoint, there should be no question that the nonscheduled air carriers should be permitted to avail themselves fully of the exemptions granted by the Reed-Bulwinkle bill, either as set forth in a general law or as set forth in a special law applicable to the nonscheduled air carriers. That was discussed in the conference. The substance of the statement I have just made reflects, in my opinion, the attitude of every member of the conference committee.

Mr. SPARKMAN. Mr. President, I appreciate that statement. I think it is a very fine and a very fair one.

Mr. LAUSCHE. I think the RECORD also should include the report which was submitted to me by the Defense Department, concerning the proportionate volume of business, in the case of group and individual travel, going to the railroads, the buses, and the airlines, beginning in 1950 and including the year 1956.

According to the statistics set forth in the table received from the Defense Department, in 1950 the railroads had

84-plus percent; the buses had 2-plus percent, and the airlines had 12-plus percent.

Mr. SPARKMAN. Who handled the other 2 percent?

Mr. LAUSCHE. That is covered by the plus amounts.

Mr. SPARKMAN. Very well.

Mr. LAUSCHE. In 1953, the railroads carried 50 percent, the buses carried approximately 7½ percent, and the airlines carried 42 percent.

Mr. SPARKMAN. Of course, in 1953 there was a great deal of activity in connection with the situation in Korea.

Mr. LAUSCHE. Now let me state the figures on the basis of the years 1950, 1953, and 1956:

In 1950, the railroads carried 84 percent; in 1953, 50 percent; in 1956, 38 percent.

The buses carried, in 1950, 2 percent; in 1953, 7 percent; in 1956, 5 percent.

In 1950, the airlines carried 12 percent; in 1953, the airlines carried 42 percent; in 1956, the airlines carried 55 percent.

So the percentages have approximately reversed during the past 6 years.

Mr. SPARKMAN. I wonder whether the Senator from Ohio will tell me whether those figures include the transportation afforded by MATS—the Military Air Transport Service. Or are those figures only for the commercial air carriers?

Mr. LAUSCHE. The table from which I have been reading is entitled as follows: "Distribution of Transportation Dollars by Mode of Transportation for Department of Defense Group and Individual Travel, Calendar Years 1950 Through 1956."

So the table is for commercial transportation.

Mr. SMATHERS. The figures are very interesting. I wonder whether the Senator from Ohio will request that the entire table be printed in the RECORD?

Mr. LAUSCHE. Certainly.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that, without losing the floor, I may yield to the Senator from Ohio, so that he may ask unanimous consent to have the table printed in the RECORD.

The PRESIDING OFFICER (Mr. MORTON in the chair). Is there objection? Without objection, it is so ordered.

Mr. LAUSCHE. Then, Mr. President, I ask unanimous consent to have the table printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Distribution of transportation dollars by mode of transportation for Department of Defense group and individual travel, calendar years 1950 through 1956

Mode of transportation (1)	1950		1951		1952		1953		1954		1955		1956	
	Dollars (millions) (2)	Percent of total (3)	Dollars (millions) (4)	Percent of total (5)	Dollars (millions) (6)	Percent of total (7)	Dollars (millions) (8)	Percent of total (9)	Dollars (millions) (10)	Percent of total (11)	Dollars (millions) (12)	Percent of total (13)	Dollars (millions) (14)	Percent of total (15)
Total all modes.....	\$79	100.00	\$171	100.00	\$166	100.00	\$147	100.00	\$127	100.00	\$114	100.00	\$104	100.00
Rail.....	67	84.81	133	77.78	107	64.46	74	50.34	56	44.09	44	38.60	40	38.46
Bus.....	2	2.53	6	3.51	10	6.02	11	7.48	12	9.45	7	6.14	6	5.77
Air.....	10	12.66	32	18.71	49	29.52	62	42.18	59	46.46	63	55.26	58	55.77

Source: DOD CONUS travel from disbursement reports of the military departments for the years 1950 through 1953; DDS&L-M-180 reports for the years 1954, 1955, and 1956.

Prepared by: Military Traffic Management Agency, Statistics Branch, Transport Economics Division.

Action copy: MTMA Passenger Division.

File number: 4869-92.35.

Date of release: May 15, 1957.

Mr. SPARKMAN. Mr. President, there are a great many other things which I should like to say about this matter; but at this time I shall not proceed further.

Let me say to the Senator from Florida and the Senator from Ohio that I appreciate the assurances which have been given; and I believe that early in the next session something should be done to make certain that the same treatment, or as nearly the same treatment as possible, is afforded all the way across the board.

Mr. LAUSCHE. From my standpoint, I believe that, in substance, I have correctly construed the statements made in the conference report to the effect that the Civil Aeronautics Board has control.

Mr. SPARKMAN. Yes.

Mr. LAUSCHE. So we are speaking of the same subject.

Mr. SPARKMAN. I think the Senator has made a very fine statement, and I am grateful to him for it.

Mr. President, I yield the floor.

Mr. MORSE. Mr. President, I wish to discuss this matter briefly.

First, let me say that I have never risen to discuss a matter on the floor of the Senate with so little knowledge of it as the knowledge I have about the conference report now under consideration.

The reason why I am supporting the Kefauver motion is that I do not think I know enough about this issue to fill an

intellectual thimble. After I listened to the debate this afternoon, even that thimble was empty, because up to now I have been in almost complete and total ignorance about what is involved. Therefore, what I shall say I am saying on advice of counsel, and not on the basis of my own knowledge, because I do not have any knowledge about it, except that I am satisfied that most of my colleagues do not seem to have, either.

I am disturbed about several matters. I am disturbed about the fact that two of the Senate conferees refused to sign the report. That is a danger signal to me. When our conferees are badly split and are in disagreement, as the debate has shown this afternoon, I think we ought to stop, look, and listen. That is why I think we should vote for the Kefauver motion and let the conference report go over until January. No great harm will be done. I am not at all impressed by the assertion of General Lasher. I should like to see General Lasher under cross-examination. I speak most respectfully when I say that. Under all the circumstances, I think the Senate members of the conference committee ought to be urging that the report go over until January.

There seems to be no doubt, if my ears have not betrayed me, that the problem was created by an amendment placed in the bill on the floor of the House, and that it comes to the Senate by way of that back door, so to speak.

If I heard aright in the Senate Chamber this afternoon, I heard some of our own conferees say there had been no hearing in the Senate on the Harris amendment; there had been no testimony from the Interstate Commerce Commission; there had been no testimony from the Antitrust Division of the Department of Justice. So I do not know what to believe, except that I am satisfied we do not know enough about it to take action on the conference report, and we ought to wait until January, as the Kefauver motion proposes, have some hearings and make a record on it, and then carry out what I think is our clear obligation as Senators; that is, vote on the basis of what we are satisfied is a reliable record.

The chairman of the Senate committee [Mr. MAGNUSON] I think cast my vote for me when, in his discussion this afternoon, he said, if I understood him correctly, we ought to wait. There is the chairman of the committee making that statement. I listened to him in his earlier speech on the floor. Then I had a private conversation with him. I said, "You have me completely confused about this, because when you start dealing with the antitrust laws, you had better look out." I am not so sure, as I listened to the discussion this afternoon about the Reed-Bulwinkle bill, if what we have in this particular instance is not delegation rather than regulation.

I wish to repeat, Mr. President. I do not know, in view of what is provided in

the Senate bill, as it is brought back to us by the conferees, whether or not we are not adopting a procedure that can be described as delegation rather than regulation of the Reed-Bulwinkle provisions. The bill provides for regulation. Unless I am grossly uninformed about the situation, under the provisions of the Reed-Bulwinkle bill, the carriers can act in concert, but only under the regulatory supervision of the Interstate Commerce Commission, including, for example, hearings, and the approval of the Commission.

Unless, again, I did not hear correctly this afternoon, under the procedure what the carriers will be allowed to do will be to act in concert, change their rates on the basis of such concerted action, and then notify the Interstate Commerce Commission, by way of report, that that is it, and the Interstate Commerce Commission will not be able to do anything about it. That is not regulation; that is delegation. As I have understood the debate this afternoon, that amounts to a delegation of what ought to be the regulatory authority of the Interstate Commerce Commission over the carriers, and would give the carriers authority simply to report what they have decided, under the limitations. I recognize this is a limited field, but, under the limitations provided for in the bill, that would be so.

If that is so, I think it is perfectly clear I ought to vote for the Kefauver motion, there ought to be hearings on the Harris amendment and the effects of the Harris amendment, and in the hearings witnesses from the Interstate Commerce Commission, the Antitrust Division of the Department of Justice, and the Pentagon Building should be called.

I would like to have General Lasher be required to appear before a committee and give a breakdown of his figure. I will say I do not have much confidence in a letter from a general in the Pentagon Building which contains merely an assertion that something is going to cost \$100 million. I want to ask him, "How do you know that? What is the proof of it?"

Anyone who serves in the Senate has his intuitive senses sharpened. I would not say that it makes one suspicious, but it sharpens his intuition—and perhaps his olfactory nerves, as has just been suggested to me by my friend from Florida. One develops a very keen sense of smell and a very keen intuitive sense.

I do not know what there is about it, but something keeps saying, "Watch out. Better watch out when you have a matter quite so broad as this, which comes to you from the floor of the House of Representatives, with no record of hearings on it, which really has been handled in conference and thrashed out in conference."

We have all participated in conference hearings. We have not any record of that conference hearing or the arguments and evidence presented to the conference. All we have is the conference report. That is pretty unfortunate in what I hope will be the closing week of this session. I hope we will get out of Washington Saturday night. I do not think there is time to give this matter

the studious, analytical attention I think it ought to be given when we are dealing with antitrust laws.

When I mention the antitrust laws, I cannot relate them to the conference report, because I do not know enough about the facts of this matter. When we are put in the position of having before us only a conference report, not signed by all the conferees, and our conferees are in great disagreement as to the effect of the Harris amendment, I say, What is the hurry? There is going to be another day. After all, the court has spoken.

I have a feeling that we in the Senate are falling into a bad habit, and that is true of the House, too, but I speak only of the Senate; I never speak of the House. I think the Senate is developing a pretty bad habit of being rather fast on the trigger when court decisions, which some of us do not like, are handed down. We immediately start shooting from the hip at those decisions. I think we had better wait and see what the effects of the McGarraghy decision are going to be. The case will be appealed. It deals with antitrust laws. If there is anything the consumers of this Nation are interested in, it is the protection of the antitrust laws.

Mr. President, I understand some Senators are very anxious to vote. I can talk for 10 hours, and will, unless I get the courtesies of the floor.

Returning to the subject, I think we ought to wait and see what the appellate court says about the McGarraghy decision, because when we are dealing with the antitrust laws we are dealing with one of the greatest consumer protections we have. I do not believe in tinkering with the antitrust laws, at least not on such a meager record as is presented to me this afternoon, in justification of the Harris amendment.

I have just told the Senator from Ohio [Mr. BRICKER] that he would have plenty of time for dinner.

Mr. President, on advice of counsel I am going to read into the RECORD information which has been furnished to me. I am not going to vouch for the information, except to say that the counsel source is very reliable.

This information raises the questions, Mr. President, about which I think we ought to find out before we cast any final votes on the merits of the conference report.

I never stand up on the floor of the Senate and present something which is not the product of my own thinking when I do not make clear to the Senate that such is the case. I believe in the reliability of this information which has been prepared in a law office which is very much concerned about this problem. I am perfectly willing to admit that the office has an interest, from the standpoint of clients who were protected by the McGarraghy decision, but nevertheless I think it is a point of view which ought to get into the RECORD, and I propose to read the information into the RECORD so that when we come to vote on this matter tomorrow—and I am reasonably certain we will not vote on it until tomorrow—

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. Only for a question.

Mr. DOUGLAS. Will the Senator yield for a question?

Mr. MORSE. I yield only for a question.

Mr. DOUGLAS. I noticed the Senator stated he did not believe we would vote on the conference report until tomorrow. Is that belief based on the Senator's conviction that the issue involves so many points which need thorough discussion that the Senate and the country should be fully informed before a vote is taken?

Mr. MORSE. I think a great educational process is needed.

Mr. President, the memorandum which I have, for the reliability of which I vouch, which does not represent the product of my own mind, I think is good enough to be made a part of the RECORD. It makes several points. It states, for example—

No hearings have been held on this matter in either House. Neither the antitrust division of the Justice Department nor any of the victims of this hasty legislation have been heard. Why the great haste?

I assume when they say that none of the victims of this hasty legislation have been heard they mean, for example, the nonscheduled airline representatives, and they mean the other transportation companies in competition with the railroads. I think those people ought to be heard. The statements in the memorandum are true. I think they ought to be heard.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. MORSE. The motion of the Senator from Tennessee [Mr. KEFAUVER] would certainly make it possible to see that those persons were heard.

I will yield to the Senator from Illinois for a question only.

Mr. DOUGLAS. Is it not true that the effect of the action of the House Committee on Interstate and Foreign Commerce is to present a pistol at the head of the Senate and say, "You apply to troop transport the exemptions from antitrust laws of the Bulwinkle bill or you will not get the relief desired in the measure you passed?"

Mr. MORSE. I do not know.

Mr. DOUGLAS. I think, if the Senator will forgive me, he is being very charitable. Is there any other interpretation which can be placed upon the action of the House committee except that?

Mr. MORSE. The Senator heard me say that my suspicions have been sharpened by all this. My suspicion would cause me to believe that there is probably a great deal of accuracy in the figure of speech which the Senator from Illinois has used to describe what is involved here. I know the Senator from Illinois has an exceedingly keen sense of legislative smell. I am inclined to follow his lead in this matter.

When I listen to the questions the Senator is raising, they confirm me all the more in my convictions: "Go slow. Go slow. Take your time. There is no

great rush. There is no great rush. Take your time."

The memorandum says further, Mr. President:

Because on July 17, Judge McGarraghy issued an order in the Aircoach case against the railroads, in a suit brought by the small independent airlines to compel the railroads to discontinue their antitrust conspiracy, by which they seek to corner the business of carrying military personnel for the Government. The sum of \$45 million damages was claimed.

All I know is that the decision went against the railroads. So we get the Harris amendment.

I do not have to defend my position or my record, Mr. President, in always being willing to protect the legitimate interests of the railroads, but I first want some evidence as to the legitimacy of the interest. I want to be sure that I am not dealing with an illegitimate brain child of a railroad lobby. I want to be certain.

I do not know how I can be certain, Mr. President, until my colleagues on the Committee on Interstate and Foreign Commerce of the Senate can put on top of my desk a record of witnesses heard, with direct questions and answers, such as I am going to ask for the RECORD in a few moments. The Committee on Interstate and Foreign Commerce owes to all Senators a duty to give answers to those questions.

I speak most respectfully. I think the Committee on Interstate and Foreign Commerce ought to withdraw this conference report for the time being. I think we face a very novel situation. The Senate passed one bill, and the House passed a bill with a very important amendment added to it, which is now before the Senate, and which has caused a great deal of controversy. We have never discussed that amendment on the floor of the Senate at all. We had never even had the Harris amendment before the Senate for debate, before our conferees went into action.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I will yield for a question.

Mr. DOUGLAS. Is this not about the worst type of legislative rider with which the Senate has been confronted for a long time?

Mr. MORSE. On that the Senator and I are completely in agreement. Let me say something about legislation by the rider system. I think that is a most apt description of what we are considering. We have a rider which has been written into the bill.

The Senator from Illinois and I stood here yesterday while the calendar was being called and one of our colleagues tried to add to a bill an amendment which had no more relation to the bill than a parakeet has to an American eagle.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. MORSE. I yield for a question.

Mr. DOUGLAS. Is it not true that yesterday an attempt was made to attach to another bill a rider in the nature of an amendment to the Fair Labor Standards Act, to take the making of holly wreaths for Christmas out from

underneath the protection of that act, which rider was sought to be attached to a bill to give hospital relief for Indians in New Mexico?

Mr. MORSE. That is exactly what the proposal was. The Senator from Illinois and I protested. I objected to the bill on the call of the calendar, after the majority of the Senate expressed a willingness to add that amendment, on the basis of a promise in advance that it would be stricken in conference. I said, "That is no way to enact legislation."

There is no place on the floor of the Senate, in my judgment, for legislation by the rider method, either yesterday or today.

I think the Senator from Illinois has very aptly described what the Harris amendment to this bill is. So far as the Senate is concerned it amounts to a rider. We should not adopt it. Let us take our time. Let us have a hearing on it. Let us see how germane it is. There is plenty of time for that.

Those of us who have been here a few years know that what we are experiencing tonight is no new phenomenon. We have to watch for such things in the closing days of every session of Congress. The political scientists in their writings on the procedures of the Senate have various terms they use, for descriptive purposes, but the most common one is that it is a "steamroller tactic" or that it is a "sleeping pill approach to legislation"—the hope to catch Members asleep and get it passed.

I am not asleep, Mr. President. I am not going to go to sleep very soon, unless we can get some agreement to give further consideration to this matter tomorrow, because we are certainly not ready to vote on it tonight.

I am sure the Senator from Illinois and other Senators will agree with me about that matter. We at least ought to give this question more consideration than we could give it if we yielded to the pressure to vote on this matter tonight.

This memorandum further says that this is another example of an historic habit of the railroads to rush to Congress when they get decisions they do not like from the courts, to see if they can get the Congress, at least, to yield to them.

All the railroad brotherhoods are in favor of this. I mean to say, all the railroad brotherhoods are for this procedure, judging from the pressure telegrams which I assume many Senators, if not all Senators, got. I got them.

Do Senators know what would be interesting? It would be interesting to get the presidents of all these railroad brotherhoods, who signed these telegrams we received today, put them on the witness stand, and ask them a few questions about this subject. They are very able men. They are presidents of railroad brotherhoods. But I will tell Senators what I will do; I will take judicial notice that these men could not pass an examination on this subject, because we are dealing with highly complicated legal matters involving the antitrust laws.

I am glad to have the opinion of the railroad brotherhoods, from the standpoint of what advantage this proposal

would be to their economic benefit. It might put the railroads in a position where, by squeezing out some competition, they might create more railroad jobs.

But what is my job as a Senator? My job as a Senator is not to make that kind of approach to a piece of proposed legislation, merely because the railroad brotherhoods want it. My job is to decide what is in the public interest. If this memorandum is correct—and I put it in the RECORD tonight only so that those who know so much more about the subject, including members of the committee, can study it and advise us. If this memorandum is correct, the public interest would not be well served by the alleged resulting elimination of competition for Government business.

If I correctly understand the situation, what would happen under this proposal would be that the railroads could go into one area where there is a great military installation, for example, and offer multiple rates, undercutting weaker competition, and getting the business. Then they would raise rates elsewhere, where there was not such competition, taking a loss in one place, and making it up with excessive profits elsewhere. That is an old ratemaking juggling game; and one of the reasons for the antitrust laws, in the first place, was to prevent opportunities for taking advantage of the consumers and shippers.

As I stated at the beginning of my remarks, I do not know what the situation is. There is no record made available to us by the conferees which will answer these questions. I am advised that we have a situation in which, if we should approve the conference report, the railroads could undercut competition and take Government business out of some military installation, fixing the rates so low that the "nonskeds," to use one example of competition, could not possibly compete. They would increase rates elsewhere, and succeed in squeezing out a competitor. Such an operation would create more railroad jobs, but it would decrease the number of other jobs.

I will not assume such a discriminatory position as a Senator, in favor of one group of workers against another group of workers, because my job is to try to find the common denominator, in terms of legislation, which will best protect the public—not the airline employees, not the railroad employees—but the consumer interests of this country. That is our job.

I realize there will be brotherhood members who will not like to hear those statements, but that happens to be my responsibility, and I will not vote for a piece of proposed legislation merely because I receive a great many telegrams from presidents of railroad brotherhoods. Neither would I vote for any proposal merely because I had received many telegrams from presidents of airlines or airline brotherhoods.

I want to know what the facts are. The conferees have not given them to us. I will not vote on the basis of faith. I want hearings on the Harris amendment.

I come back to the memorandum which was given to me on advice of coun-

sel. It ought to be made a part of the RECORD.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MORSE. I yield for a question.

Mr. HUMPHREY. Does the Senator feel that the explanation which was given today, relating to the continued right of litigation if this bill is enacted, would really stand the test of a case in court?

Mr. MORSE. I do not think so, but I do not know. We have not had time to study the question. We have not been given a record which covers these points. All we have is a conference report. Does the Senator know what the conferees said among themselves in conference? Of course he does not.

Mr. HUMPHREY. Mr. President, will the Senator further yield for a question?

Mr. MORSE. I yield for a question.

Mr. HUMPHREY. Does the Senator agree with me that when a Pentagon official sends a letter to a Senate committee relating to items of cost, such letter ought at least to have in it a breakdown of the respective categories of commodities and personnel which might be covered?

Mr. MORSE. There is no question about it. Let me tell the Senator what my suspicions are.

I think someone called the Pentagon Building and said, "Get a letter up here fast that supports our contention that failure to enact this measure would cost the taxpayers a great deal of money."

That is a pretty unkind statement, but I cannot help it. That is what I suspect. I believe that the general to whom reference has been made had the responsibility of breaking down his figures. He is the one who raised the suspicion. I am glad the Senator raised the point. I suspect that letter. The figures should be broken down.

Let me say to the Senator from Minnesota that we have been around here long enough to know how pressures work between powerful forces and Government departments.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MORSE. I yield for a question.

Mr. HUMPHREY. Does the Senator agree with me that in these late days of the session, when the pressure is exceedingly heavy, and when the corridors are literally filled with representatives of particular groups which have legislative proposals before us, this is a very inopportune time to legislate on a question which fundamentally affects the antitrust laws of the United States, particularly when such proposed legislation was never aired or examined in a hearing?

Mr. MORSE. The Senator is completely right. Let the American people know that in these days we almost need a Capitol policeman at times to break a lane so that we can get into the Senate Chamber, in order to get away from buttonholers who want this, that, or something else, in the great pressure of the closing days of the session.

The proposal before us is a good example of what I mean. The purpose is to steamroller this kind of legislation

through; but no one has placed on our desks the record of hearings with respect to an amendment proposed on the floor of the House, written into the bill on the floor of the House, and which went directly to conference—not even to the floor of the Senate for debate.

That is what we are up against. We are dealing with a proposal involving the antitrust laws, supposedly the great protection of the consumers and shippers of America.

Does the Senator from Minnesota know what he and I and the Senator from Illinois [Mr. DOUGLAS] are doing in this debate? As I see it at this moment we are standing here as three liberals protecting the businessmen of America from the danger of monopolistic combines designed, apparently, to fix rates so as to squeeze out competition in transportation.

What is the history of that kind of procedure? Once they get by with it, the real squeeze will be on. The effort will be made to kill off competition, and then charge what the traffic will bear. That is the history of monopolistic rate-making in this country. That is why the senior Senator from Oregon does not intend to vote for any breach in the wall of antitrust protection to the consumers, until he knows that there is real need for it, in order to give better protection to the consumer.

Mr. HUMPHREY. Mr. President, will the Senator further yield for a question?

Mr. MORSE. I yield.

Mr. HUMPHREY. Does the Senator agree with me that what is being attempted by the so-called Harris amendment is to enlist the support of the executive branch of the Government, which claims that it would receive some benefits in terms of reduced rates and reduced costs—I say "claims"; it does not offer proof—in an attempted further extension of the Reed-Bulwinkle Act?

Mr. MORSE. That is what I think. But I do not believe we have had enough information or evidence given us, so that we can be sure. I am afraid of this proposal. It can best be described as a substitution of delegation for regulation.

I do not propose to delegate to the railroads the authority to fix their own rates and then send a report to the Interstate Commerce Commission. At least, under the Reed-Bulwinkle Act, as it has been discussed on the floor of the Senate, and according to my recollection of the administration of that act, the Interstate Commerce Commission gets a chance to hold hearings and the opportunity to give or withhold approval. I should like to have anyone show me a line in the proposal before the Senate which recognizes any such authority in the Interstate Commerce Commission. To the contrary, I understand just the opposite is true; the Interstate Commerce Commission has no right of approval, but merely receives reports as to what the railroads have done.

Mr. HUMPHREY. It is a receptacle for reports.

Mr. MORSE. If that be true—and I do not know, as I say, but that is the conclusion I have reached from listening to the discussion this afternoon—let me say

that that is not regulation. It is delegation. It is delegation to the very groups against which the antitrust laws were designed to protect the public.

I cannot go for that, Mr. President, if I am right in my premises. Again, as I said, I am not sure that I am.

I have some more ammunition before me, to assist me in my educational process on this subject. I will be glad to yield for some more questions.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I yield for a question.

Mr. DOUGLAS. Is it not true that during the 10 years which have passed since the Reed-Bulwinkle Act became law, very serious doubts have arisen about the worthwhileness of that act?

Mr. MORSE. The Senator is correct.

Mr. DOUGLAS. Is it not also true that the Reed-Bulwinkle Act permits the railroads to reach rate agreements with each other, and then merely submit those rates to the Interstate Commerce Commission, which, in practice, has almost universally approved the voluntary agreements; and that, therefore, the cartel system has been substituted for the regulatory system; is that not correct?

Mr. MORSE. The Senator is correct. That opens up another whole field of discussion which I should like to enter for a while. We have another responsibility as Senators, come January, and that is for a thoroughgoing investigation of the Interstate Commerce Commission itself, as to whether or not this practice, which the Senator from Illinois has so accurately outlined, has not really made the Interstate Commerce Commission pretty much of a vestibule of the presidential offices of the railroad companies of America, and a waiting vestibule at that.

The original purpose, of course, of any legislation involving the Interstate Commerce Commission was to place upon the Commission the responsibility of holding hearings on the merits of the so-called agreements reached by the railroad companies in this limited field, and then to grant approval or to disapprove—tested by what? Tested by the public interest; tested by the consumer interest; tested by the shipper interest. It should not be merely an automatic approval.

As the Senator from Illinois has implied in his question—and very properly so—it has become the practice of the Interstate Commerce Commission to do just that. Therefore, we should find out whether, Reed-Bulwinkle Act or no Reed-Bulwinkle Act, the Interstate Commerce Commission is carrying out the spirit and intent of Congress in regard to railroad regulation laws, as it should be carrying them out.

I have heard too many complaints, and I have listened to too many people say they feel that the Interstate Commerce Commission is a vestibule of the American Railway Association, to cause me to accept for a moment the idea that we can place all our confidence in the Interstate Commerce Commission, and everything will be all right in that regulatory field.

To get back to the memorandum which I am submitting on advice of

counsel: It points out that this is one of the most technical matters in the complex field of ICC regulations. However, apparently, Members of the House were under the impression, when the Harris amendment was offered, that it was something noncontroversial. When the matter reached the floor a couple of days later, a great awakening took place, and the Harris amendment was amended to include some protection for monetary damages, but the legalizing of the alleged cutthroat conspiracy remained. The House adopted the Senate bill number and the bill went to conference as S. 939. The bill bears the Senate number, but it is really the House bill. By itself, S. 939 is an innocuous bill, containing nothing particularly meaningful.

I understand that if we should enact the Harris amendment and hitch it to the bill, the antitrust laws would be gravely damaged, while the violators would be given a special immunity, described by the late Senator Alben Barkley, when he was debating a similar situation: "The railroads are to be put on an island of safety, beyond the reach of the antitrust laws."

It is alleged that here are some of the consequences of enacting S. 93 with the Harris proviso:

First, we would make Congress the survive and pliant tool of the railroad lobby. Let us remember what the Senator from Georgia [Mr. RUSSELL] said, on June 9, 1947:

At the behest of certain people who are about to be pricked with a pin by the courts, we are changing the policy here, when it is grossly unfair to the people who have been placed at a disadvantage for so many years by this artificial rate structure that the railroads and the freight bureaus have built up over the country.

I might state that I have just had a delightful conversation with the Senator from California [Mr. KNOWLAND]. I am always honored when he pays me a visit, on or off the floor of the Senate. [Laughter.]

I return now to what the Senator from Georgia said in 1947. He said:

Instead of pleading guilty in the courts to violating the antitrust laws, the railroads and their satellites have come to Congress. They have said: "We are guilty; they have got us on the hip, and we want you to give us a pardon before the courts can even right a decision in the case." I submit, Mr. President, we ought at least to wait until the Supreme Court has decided the cases, and that any action of Congress in dealing with the problem prior to that time is premature and will result in divesting the people of the country of a protection to which they are entitled.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I yield for a question.

Mr. DOUGLAS. Is it not true that the South has suffered for a long period of time because of discriminatory freight rates?

Mr. MORSE. Yes; and the West also.

Mr. DOUGLAS. The South and the West.

Mr. MORSE. The South and the West.

Mr. DOUGLAS. Is it not true that the representatives of the South had good

reason to fear that the Reed-Bulwinkle Act would permit the railroads to continue the discriminatory rates?

Mr. MORSE. The Senator is correct. The Senator from Illinois is a great authority in the field of railroad economics and in the field of economics generally.

Mr. DOUGLAS. I do not claim to be an authority on railroads.

Mr. MORSE. If I want to know anything about railroad economics, I know where to turn first, and that is to the Senator from Illinois. I understand, theoretically—that is why I am making these comments about the Interstate Commerce Commission—that the Interstate Commerce Commission has the authority to disapprove as well as to approve rates.

Mr. DOUGLAS. Is not that rule more honored in the breach than in the observance?

Mr. MORSE. That is why I think we ought to investigate the Commission. I understand that that is pretty much the pattern of the Interstate Commerce Commission decisions. I think we ought to investigate it.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I yield for a question.

Mr. DOUGLAS. Is it not true that, although we come from the North, nevertheless on the floor of the Senate in efforts to bar discriminatory rates we are fighting for the South.

Mr. MORSE. We always have.

Mr. DOUGLAS. Frequently, when the South has not defended itself, the liberals of the North and the West have defended it and have warned about the effect of the Reed-Bulwinkle Act.

Mr. HUMPHREY. Mr. President, may another Senator join the discussion?

Mr. MORSE. I say to the Senator from Illinois that that has always been the case. As liberals we recognize that our great responsibility is to translate into legislation the general welfare clause of the Constitution, which means protecting the public interest.

Mr. DOUGLAS. While we are opposed to the general attitude of the South on so-called constitutional rights questions, we will fight for the South when the South is correct on rate matters, even when many representatives of the South themselves sit silent and do not defend the interests of their section of the country.

Mr. MORSE. We will do it to the best of our judgment. We do not claim to be infallible. However, we do claim that we are not going to let any pressures of any kind—in the form of telegrams from presidents of railroad brotherhoods, for example—influence us to vote for something that may not be in the public interest, until we are certain that we have all the facts involved in the issue.

Then the memorandum I am using on advice of counsel, in order to raise these questions in the RECORD, states:

2. The Harris amendment would create for the railroads an area which is either regulated by the Interstate Commerce Commission nor subject to the antitrust laws. This is unprecedented in the history of public utility law, providing a special preserve for monopoly.

Mr. President, if that charge be true, I think there should be a hearing on this matter.

What is wrong with the motion of the Senator from Tennessee [Mr. KEFAUVER]? The allegation to which I have just referred has been made, and nothing in the conference report gives an answer to it. Such information is of the very type of the information which would be presented at a committee hearing.

So what is the hurry? Let committee hearings be held on these matters. These allegations are serious ones.

Next, the memorandum states:

3. The independent airlines will be destroyed by the price-fixing conspiracy which the Harris amendment seeks to legalize. These small enterprisers carried 50 percent of the Berlin and Korean airlift, and constitute the only civilian airlift reserve immediately available in the case of emergency—such as the Hungarian refugee rescue of last winter. Also, the impact on the small truckers, and inland water carriers will be great, and in some instances disastrous.

Mr. President, what are the facts? Who knows? I did not hear any of the conferees state, this afternoon, what the facts are in that connection. I do not think they know. I do not see how they can, until a hearing is held. No witnesses appeared before the conferees. The conferees did not take any testimony. They received a letter from General Lasher, but no breakdown was included in the letter. I do not know how it happened that the conferees received the letter, but they received it. I have stated that I am suspicious of it. The more I think about this matter, the more my suspicion grows; and the more I read the memorandum which, on advice of counsel, I am reading now, the more convinced I become that I am correct—so much so, that I am about convinced that I should proceed at greater length than I first contemplated when I began this speech.

I think the matter is much worse than I first suspected it to be. The memorandum I am reading is quite a good one.

I read further from it, as follows:

4. This will result in direct additional costs to the taxpayers.

Mr. President, this afternoon we have heard a great deal about the additional \$100 million which the taxpayers would have to pay. It is very interesting that when we are dealing with the question of protecting shippers and consumers, there is the attitude that to increase the cost to the Government will be bad. This is a very important point. Certainly there is no reason why the Government should be exempt from the antitrust laws, insofar as protecting the rights of shippers is concerned and insofar as protecting the rights of consumers is concerned. For the sake of the argument—although I do not think the premise is sound, but let us assume that it is—let us assume that the taxpayers might be subjected to an additional cost of \$100 million. Well, Mr. President, I wish to say that is a rather cheap price to pay for protecting the American people in their full rights under the antitrust laws. I do not think the Government, any more than com-

mercial concerns, ought to yield to that kind of a financial consideration, which is offered, because I do not believe any case has been made to prove that there will be an additional cost of \$100 million to the taxpayers.

But the point I wish to stress is that the antitrust laws are aimed at protecting the consuming public from discriminatory raids and bad competitive practices. So I shall not vote to breach those laws merely because some general comes forward and says, "Oh, but it will cost the Pentagon \$100 million more." Mr. President, I do not know of any persons who have less right to talk about what something will cost the taxpayers than do those in the Pentagon Building, when I think of the horrendous ways that characterize the activities of those in the Pentagon Building, insofar as the costs to the taxpayers are concerned.

Mr. DOUGLAS. Mr. President, will the Senator from Oregon yield for a question?

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Oregon yield to the Senator from Illinois?

Mr. MORSE. I yield for a question.

Mr. DOUGLAS. Is it not true that the original Interstate Commerce Act of 1887 was passed to protect the public, including shippers, from the very abuse of discriminatory rates?

Mr. MORSE. That is correct.

Mr. DOUGLAS. Was not the practice widespread in the 1860's, the 1870's, and the 1880's, whereby the railroads would give to one set of shippers favorable rates which they would not give to other shippers who were shipping identical commodities to identical points?

Mr. MORSE. That is correct.

Mr. DOUGLAS. And originally the purpose of the Interstate Commerce Commission was to secure equality in ratemaking, so that all shippers would be treated on fair terms. Is that not true?

Mr. MORSE. That is correct.

Mr. DOUGLAS. It was done because of the great abuses which developed on the part of the Standard Oil Co. and other companies in conjunction with the railroads.

Mr. MORSE. Mr. President, my answer to the question is "Yes."

Mr. DOUGLAS. That is a very laconic, but wholly accurate, answer to the question. [Laughter.]

Mr. MORSE. Mr. President, the memorandum also points out the following:

If the independent competitors are knocked out of serving the Department of Defense, the cost for troop movements will immediately skyrocket. Note costs prior to 1952, when the railroads had this market strictly to themselves. The railroads have persuaded certain transportation officers at the Pentagon to tell congressional committees privately that unless the railroads are granted immunity from antitrust laws, "it will cost the Department \$100 million a year." The origin of this figure, and how procurement of a service will be cheaper when purchased from a shutout monopoly, in preference to a competitive market, has never been explained.

Mr. President, I do not know. But I do know that all the facts ought to be placed on record. I do not think there is anything unreasonable about the motion to let the conference report go over until January—as my good friend, the Senator from Tennessee [Mr. KEFAUVER], who has just returned to the floor, has proposed, so that we can have the kind of hearings I am pleading for, and can ask, at those hearings, questions such as the ones I am asking now, and which I wish to have answered.

Mr. KEFAUVER. Mr. President, at this point, will the Senator from Oregon yield?

Mr. MORSE. I yield for a question. I am faced with a parliamentary difficulty; therefore, in yielding, I must yield only for a question.

Mr. KEFAUVER. Does not the Senator from Oregon think that, in fairness to the public, and also in fairness to the Senate, we should have from the Department of Justice some word as to what it thinks about the Harris amendment?

Mr. MORSE. I have already stressed that point, in the course of my argument. I think it is of the utmost importance that we hear, at such a committee hearing, from the head of the Antitrust Division of the Department of Justice, and also from the Attorney General; and at the hearing I would cross-examine them on the effect of this proposal. And I would also hear, at that hearing, from the members of the Interstate Commerce Commission and from the counsel of the Interstate Commerce Commission; I would cross-examine them at the hearing.

Mr. KEFAUVER. I have written—

Mr. MORSE. Mr. President, is the Senator from Tennessee about to ask me a question?

Mr. KEFAUVER. Yes; I wish to ask a question.

Mr. MORSE. Then I should like to hear it.

Mr. KEFAUVER. Inasmuch as I have written a letter, dated August 14, to Judge Hansen, requesting his opinion as head of the Antitrust Division, about this proposed legislation—

Mr. MORSE. The Senator from Tennessee should ask me his question.

Mr. KEFAUVER. Does not the Senator from Oregon think it would be well to wait until we hear from Judge Hansen?

Mr. MORSE. That is one of the points I am making. If I make any point at all, it is the point that we should wait. I continue to ask, What is the rush?

I do not know what is so important about this matter that it cannot be taken up by the Congress by means of regular committee action in January. I will bet that the Capitol dome will still be standing in January, if we postpone this matter until then; nothing will topple in the meantime. And by postponing action until then, we shall be preserving what I believe to be a precious right of the American people, because when I talk about these procedures, let me stress the fact that Senators do not own them. These committee procedures belong to the American people. They are great

guaranties to the American people—guaranties that their elected representatives in the Congress will act on the basis of a record, not on the basis of an amendment offered on the floor of the House of Representatives, but never considered on the floor of the Senate. The amendment got into conference, and we do not even know what transpired in the conference, except we have a final report about the action taken by the conferees. And we have learned that our conferees are split—that the Senator from Texas [Mr. YARBOROUGH] did not sign the conference report. I wish to know a great deal about his views on this matter. I also understand that another conferee, the Senator from Florida [Mr. SMATHERS], did not sign the report. I think I am correct as to that.

Mr. President, when we are presented with a conference report which does not represent the unanimous opinion of the Senate conferees, and when the report involves an amendment which never appeared on the floor of the Senate, for discussion and debate—an amendment which never was considered by a Senate committee at a hearing—I say, as I said at the beginning of my remarks, "Look out! Look out! There may be something rotten in Denmark."

I read further from the memorandum:

5. Congress will be legislating without giving the Antitrust Division of the Department of Justice an opportunity to state its views. Nor has the ICC been called for its views. In other words, not only have the businessmen and the employees whose economic lives are in jeopardy been deprived of a hearing, but the expert and responsible Government agencies have not presented their views.

Are the proponents of the Harris amendment afraid to follow the traditional procedures of Congress in permitting all the facts to be placed on the record?

6. Congress will be superseding the courts, setting the dangerous precedent in interfering in the due processes of justice, in order to provide special protections for special interests. The comment of the late Senator Barkley, regarding the railroads' attempt in 1947 to escape from a similar court action, could be directly applied to the Harris amendment:

"The introduction of such bills seems to have become a habit here. If someone brings a lawsuit in the Federal court, and it gets to the Supreme Court, or does not get to the Supreme Court, a case which involves an interpretation of the laws which Congress has passed to protect the American people, instead of fighting the question out in the courts and allowing the courts to exercise their jurisdiction, Congress is asked to enact a law passing upon the question in advance of the courts having an opportunity to pass upon it."

Mr. President, I digress from reading that important statement by the great American statesman, the late Senator Alben Barkley, to suggest to the Senate that what he said on that occasion is completely apropos the discussion being had tonight in the United States Senate. What Senator Barkley had in mind at that time is exactly what I propose now.

We have the McGarraghy decision. That decision is on its way to the Court of Appeals. Why should we not wait until the appellate court has acted on

it? Why do we rush in with proposed legislation which seeks to set aside a decision of the district court?

The late Senator Barkley also said:

I think it is a vicious practice; I think it is a vicious habit; it ought never to have been indulged in. * * * And now for the third time we are asked to take similar action, by lifting the railroads out from under the antitrust laws so that no court can pass on the validity of agreements, combinations, all sorts of things that involve practices and rates and agreements and combinations. Everything we can think of that the antitrust laws were enacted to outlaw would be possible under this bill if it should become law, only subject to the approval of the Interstate Commerce Commission, and the Interstate Commerce Commission has no power and will have no power under the bill nor under the law to inflict any penalty for violation, even if it is in connection with approved combinations that might be entered into under this legislation.

I am deeply in earnest about this matter. It seems to me extremely bad practice. It is a violation of the traditional field of legislation for us to undertake to do this in the Senate, because a lawsuit has been brought.

That is Barkley. I will take my stand with Barkley, Mr. President. I think what he said in 1947 is so applicable to the issue before the Senate tonight that the Kefauver motion ought to be unanimously agreed to by the Senate. We ought to wait until we can get the hearings for which I am pleading.

Before yielding to the majority leader, I shall close with the reading of my memorandum. Then later, if necessary, I shall turn to a treatise I have.

TWISTING THE ARM OF CONGRESS

The railroad representatives have told Congress that they will refuse to offer their lower rates to the Government—known as section 22 rates—unless the McGarraghy decision is nullified by the Harris amendment. This threat has been termed "economic blackmail" by some members of the conference.

It should be noted that the McGarraghy decision in no way precludes the railroads from offering free or reduced rates for moving Government personnel and cargo. What it does do is prohibit the railroads from conspiring together to form compacts as a device to drive out all other modes of transportation.

The memorandum has attached to it a list of air carriers which it is alleged have been put out of business by the railroad monopoly conspiracy. I ask unanimous consent that the list be incorporated in the RECORD at this point as a part of my remarks, without my reading it, although I shall be glad to read it if the Senate insists.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

AIR CARRIERS PUT OUT OF BUSINESS BY THE RAILROAD MONOPOLY CONSPIRACY

The following carriers succumbed to the tactics of the railroads and were forced to cease operations in the domestic military group passenger market on these dates: United States Aircoach, October 10, 1953; Air America, Inc., November 29, 1953; Caribbean-American Lines, Inc., December 5, 1953; Economy Airways, Inc., December 18, 1953; Air Transport Associates, Inc., December 31, 1953; Argonaut Airways Corp., January 9, 1954; Conner Air Lines, Inc., January 9, 1954;

Continental Charters, Inc., January 15, 1954; Trans-National Airlines, Inc., January 25, 1954; Miami Airlines, Inc., February 8, 1955; Coastal Cargo Co., Inc., March 20, 1955; California Air Charter, Inc., April 30, 1955; Standard Airways, May 18, 1955; Blatz Airlines, Inc., June 27, 1955; Quaker City Airways, Inc., February 12, 1956; Air Cargo Express, Inc., December 7, 1956.

Mr. MORSE. Mr. President, before I continue this discussion, I should like to yield to the acting majority leader, with the understanding that by so yielding I do not lose my rights to the floor, for the consideration of any request he or the minority leader or other Senators may wish to make procedurallywise, and that when we get through with a discussion of any procedural matter which the acting majority leader wishes to raise now—I have been advised, by a whispered conversation, it may be a request for an agreement—I will have the floor at the conclusion of that discussion. I yield to the Senator from Montana [Mr. MANSFIELD].

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I appreciate the courtesy of the Senator from Oregon.

I send to the desk a proposed unanimous-consent agreement on behalf of the majority leader and the minority leader.

The PRESIDING OFFICER. The clerk will state it.

The legislative clerk read as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That on tomorrow, Thursday, August 22, 1957, at the close of routine morning business, the Senate resume the consideration of the conference report on S. 939, a bill amending section 22 of the Interstate Commerce Act; that further debate on the pending motion of Mr. KEFAUVER to postpone the further consideration of the report to January 30, 1958, at 2 p. m., be limited to 2 hours, to be equally divided and controlled by Mr. KEFAUVER and the majority leader, respectively, after which time a vote shall be taken on the question of agreeing to the said motion; that in the event the motion is not agreed to, further debate on the question of agreeing to the conference report shall be limited to 2 hours, to be equally divided and controlled by the majority and minority leaders, respectively; after which a vote shall be taken on the question of agreeing to the said report.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, will the Senator yield to me—

Mr. MORSE. The Senator from Montana will be surprised if he listens to me for a moment.

Mr. President, in view of the unanimous-consent agreement, I am delighted to yield the floor.

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point a letter dated August 14, 1957, addressed by me to the Honorable Victor R. Hansen, head of the Antitrust Division of the Department of Justice, asking his views on the so-called Harris amendment.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AUGUST 14, 1957.

Hon. VICTOR R. HANSEN,
Assistant Attorney General of the
United States, Department of Jus-
tice, Washington, D. C.

DEAR JUDGE HANSEN: I would greatly appreciate the views of the Antitrust Division with respect to the so-called Harris amendment to S. 939. This is a matter which will be reported to the Senate within the next few days and it would be of considerable help if we could have an expression from your division and its transportation experts at the earliest possible time.

I am informed that this amendment may have a serious effect on the enforcement and administration of antitrust laws and would exempt certain practices of the railroads which are now under the jurisdiction of the antitrust laws. Since these practices are not anyway subject to regulation by the ICC at the present time, it would appear that S. 939 as amended in the House would create a unique instance where a utility is neither subject to a regulatory agency nor covered by our antitrust laws.

Furthermore, I would like to know if your department has ever been invited to express its views regarding the Harris amendment which passed the House on July 30. And, do you consider this matter to be of sufficient importance to the administration and enforcement of our antitrust laws for the department views to be considered prior to the final enactment of such legislation? In view of the shortness of time any views, however preliminary, which you could send to us would be appreciated.

Sincerely,

ESTES KEFAUVER,
United States Senator.

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD, if it has not already been included, the memorandum opinion of Judge McGarraghy in the pending case which the Harris amendment is intended to set aside and nullify; that is, the case of Aircoach Transport Association, Inc., versus Atchison, Topeka & Santa Fe Railway Co., Civil Action No. 875-57.

There being no objection, the memorandum opinion was ordered to be printed in the RECORD, as follows:

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA—AIRCOACH TRANSPORT ASSOCIATION, INC., ETC., ET AL., PLAINTIFFS, v. ATCHISON, TOPEKA & SANTA FE RAILWAY CO., ETC., ET AL., DEFENDANTS—CIVIL ACTION No. 875-57

MEMORANDUM

Since October 1, 1946, the defendant railroads have been transporting military personnel on official business under a reduced rate agreement known as the joint military passenger agreement providing that the railroads would charge the Military Establishment a standard or uniform discount of 10 percent below their filed commercial tariffs. Commencing in 1953, the defendants began the practice of making concerted quotations to the Military Establishment of special rates varying to as low as 50 percent below the defendants' regularly filed tariffs.

The plaintiffs who are supplemental air carriers have brought this action to enjoin said concerted special rates and for treble damages, alleging violation of the Sherman Act and of the Clayton Act. With the filing of the complaint, the plaintiffs moved for a preliminary injunction. Prior to hearing on that motion, certain of the defendants moved to dismiss in the alternative for summary judgment and certain other defendants filed motions for summary judgment. The plaintiffs also filed a motion for summary judgment.

The defendants claim that the bids which are attacked by the complaint as being in violation of the antitrust laws have been made pursuant to and in conformity with agreements approved by the Interstate Commerce Commission and, therefore, that they are expressly relieved from the operation of the antitrust laws with respect to the practices complained of by section 5 (a) of the Interstate Commerce Act. Further, the defendants say that the subject matter of this suit is within the exclusive primary jurisdiction of the Interstate Commerce Commission and that this court is without jurisdiction to grant relief to the plaintiffs.

With reference to the points of law raised by the several motions which have been argued fully and briefed exhaustively, the court is of the opinion as follows:

1. The antitrust immunity conferred by section 5 (a) of the Interstate Commerce Act does not apply to concerted section 22 quotations made to the United States Government.

2. The Interstate Commerce Commission has never immunized defendants' concerted section 22 quotations.

3. The Interstate Commerce Commission does not have primary jurisdiction over the subject matter of this suit.

4. The concerted section 22 quotations of defendants are illegal per se under the antitrust laws.

5. The defenses raised by the defendants are insufficient as a matter of law and there is no genuine issue as to any material fact.

Accordingly, the plaintiffs' motion for summary judgment except as to damages will be granted and the defendants will be enjoined in accordance with the prayers of the complaint.

Counsel for plaintiffs will submit an order in conformity with this memorandum.

JOSEPH C. MCGARRAGHY,

Judge.

JULY 5, 1957.

IN THE UNITED STATES DISTRICT COURT—
FOR THE DISTRICT OF COLUMBIA—AIRCOACH
TRANSPORT ASSOCIATION, INC., ETC., ET AL.,
PLAINTIFFS v. ATCHISON, TOPEKA & SANTA
FE RAILWAY CO., ETC., ET AL., DEFENDANTS—
CIVIL ACTION No. 875-57

ORDER

The cause having been heard on defendants' motion to dismiss the complaint or in the alternative for summary judgment pursuant to rules 12 and 56 of the Federal Rules of Civil Procedure and on plaintiffs' cross motion for summary judgment for the relief requested in the complaint except as to the amount of damages pursuant to rule 56, subparagraphs (a), (c), and (d) of the Federal Rules of Civil Procedure and upon due and careful consideration of all of the papers, documents, and materials heretofore submitted to the court herein and having heard oral argument thereon, it is now hereby ordered—

(a) That defendants' motion to dismiss the complaint, or in the alternative for summary judgment pursuant to rules 12 and 56 of the Federal Rules of Civil Procedure be and the same is hereby denied and plaintiffs' cross motion for summary judgment with respect to the injunctive relief demanded in the complaint, which relief excludes the amount of the damages, under and pursuant to rule 56, subparagraphs (a), (c), and (d) of the Federal Rules of Civil Procedure be and the same is hereby granted;

(b) That the court finds, in accordance with rule 54, subparagraph (b), that no just reason for delay exists with respect to the entry of final judgment upon plaintiffs' claim for injunctive relief, and that the entry of such judgment is hereby expressly directed; and

(c) Whereas plaintiffs have conceded on the record that no injury has been caused them by the uniform 10-percent fare allowance provided in section 6 (a) of joint military passenger agreement No. 29, as extended, to which defendants are parties, defendants and each of them, and their officers, directors, servants, and employees, and all persons, natural and corporate, acting for or in concert with each or any of them, are permanently enjoined and restrained from:

(1) Engaging in and continuing to engage in the practice of making special variable rate quotations, concertedly arrived at, pursuant to section 22 of the Interstate Commerce Act, as amended, title 49 United States Code, section 22, to the Department of Defense and/or any agency of the Military Establishment for the transportation of military personnel traveling at Government expense in groups of 15 or more within the continental United States, whether such concerted joint "special" variable rate quotations are submitted to the military agencies under section 2 (a) of joint military passenger agreement No. 29, as extended, to which defendants are parties, or otherwise;

(2) Submitting to the Department of Defense and/or any other agency of the Military Establishment concertedly arrived at package or nonseverable rate quotations under section 22 of the Interstate Commerce Act, as amended (49 U. S. C., 22), for movements of military personnel traveling at Government expense in groups of 15 or more within the continental United States where such movements have a common point of origin and 2 or more points of destination;

(3) Submitting to the Department of Defense and/or any other agency of the Military Establishment concertedly arrived at package or nonseverable rate quotations under section 22 of the Interstate Commerce Act, as amended (49 U. S. C., 22), for movements of military personnel traveling at Government expense in groups of 15 or more within the continental United States where such movements have a common point of destination and 2 or more points of origin;

(4) Nothing provided in subparagraph (1), (2), or (3) above shall prevent or preclude defendants and each of them, their officers, directors, servants and employees and all persons, natural and corporate, acting for or in concert with each or any of them or under their control, direction, permission, or license from submitting any rate quotations, concertedly arrived at, for the transportation of persons for the Government of the United States at free or reduced rates under and pursuant to section 22 of the Interstate Commerce Act, as amended (49 U. S. C. 22), without regard to the level of rates, where such rate quotations are made for through transportation between any 2 specific points over a single route, portions of which are operated by 2 or more railroads, nor shall the provisions of subparagraph (1), (2), or (3) above require defendants and each of them, and their officers, directors, servants and employees, and all persons, natural and corporate, acting for or in concert with each or any of them, to discriminate as to such rate quotations between 2 or more railroads connecting with any defendant railroad in offering through transportation between any 2 specific points over a single route; nor shall the provisions of subparagraphs (1), (2), and (3) above apply to the making of rate quotations for traffic not in competition with the 4 named plaintiff air carriers or any other presently non-certificated air carrier similarly situated who may thereafter be permitted by order of the court to intervene; and it is further ordered—

(d) That the court hereby retains jurisdiction and directs that hearings be held and evidence be taken solely as to the amount of damages suffered by each of the plaintiffs by reason of the rate activities enjoined

above or which may hereafter be enjoined in the cause; and it is further ordered—

(e) That this court, upon its own motion or upon the motion of any party hereto, may make and enter from time to time such other and further orders as are appropriate for the effectuation of the determination and decision of this court filed July 5, 1957;

(f) That the provisions of paragraph (c) above are stayed for a period not exceeding 10 days from the date hereof to permit defendants to apply for a further stay to the Court of Appeals for the District of Columbia.

JOSEPH C. MCGARRAGHY,

United States District Judge.

JULY 17, 1957.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the conference report on S. 939, a bill amending section 22 of the Interstate Commerce Act, be temporarily laid aside.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Matrer, one of its reading clerks, announced that the House has agreed to the amendments of the Senate to the bill (H. R. 7458) to amend the Fair Labor Standards Act of 1938, as amended, to restrict its application in certain overseas areas, and for other purposes.

The message also announced that the House had agreed to the amendment of the Senate to the House amendment to the Senate amendment numbered 6 to the bill (H. R. 4602) to encourage new residential construction for veterans' housing in rural areas and small cities and towns by raising the maximum amount in which direct loans may be made from \$10,000 to \$13,500, to authorize advance financing commitments, to extend the direct loan program for veterans, and for other purposes.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 9023) to amend the act of October 31, 1949, to extend until June 30, 1960, the authority of the Surgeon General to make certain payments to Bernalillo County, N. Mex., for furnishing hospital care to certain Indians; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HARRIS, Mr. WILLIAMS of Mississippi, Mr. RHODES of Pennsylvania, Mr. LOSER, Mr. WOLVERTON, Mr. BUSH, and Mr. NEAL were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9131) making supplemental appropriations for the fiscal year ending June 30, 1958, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 8, 15, 33, 34, 43, 45, 47, 49, 50, 57, 58, 64, 69, 70, 72, and 75 to the bill, and concurred therein; that the House receded from its disagreement to the

amendments of the Senate numbered 3, 4, 7, 10, 12, 14, 32, 38, 40, and 61 to the bill, and concurred therein severally with an amendment, in which it requested the concurrence of the Senate, and that the House insisted upon its disagreement to the amendments of the Senate numbered 6 and 54 to the bill.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills:

H. R. 993. An act to provide for the conveyance of certain land by the United States to the Cape Flattery School District in the State of Washington;

H. R. 1259. An act to clear the title to certain Indian land;

H. R. 1349. An act for the relief of John J. Fedor;

H. R. 1365. An act for the relief of Elmer L. Henderson;

H. R. 1595. An act for the relief of Vanja Stipic;

H. R. 1636. An act for the relief of George D. LaMont;

H. R. 1826. An act to authorize the sale of certain lands of the United States in Wyoming to Bud E. Burnaugh;

H. R. 1424. An act for the relief of Sylvia Ottila Tenyi;

H. R. 1851. An act for the relief of Dezrin Boswell (also known as Dezrin Boswell Johnson);

H. R. 1953. An act to provide that checks for benefits provided by laws administered by the Administrator of Veterans' Affairs may be forwarded to the addressee in certain cases;

H. R. 2224. An act providing for payment to the State of Washington by the United States for the cost of replacing and relocating a portion of secondary highway of such State which was condemned and taken by the United States;

H. R. 2973. An act for the relief of the estate of William V. Stepp, Jr.;

H. R. 3025. An act to authorize the Secretary of the Navy to surrender and convey to the city of New York certain rights of access in and to Marshall, John, and Little Streets adjacent to the New York Naval Shipyard, Brooklyn, N. Y., and for other purposes;

H. R. 3184. An act for the relief of Gordon Broderick;

H. R. 3280. An act for the relief of Mrs. Grace C. Hill;

H. R. 3818. An act to provide for the maintenance of a roster of retired judges available for special judicial duty and for their assignment to such duty by the Chief Justice of the United States;

H. R. 3819. An act to amend section 331 of title 28, United States Code, to provide representation of district judges on the Judicial Conference of the United States;

H. R. 4098. An act to provide for the conveyance to the State of California a portion of the property known as Veterans' Administration Center Reservation, Los Angeles, Calif., to be used for National Guard purposes;

H. R. 4230. An act for the relief of W. C. Shepherd, trading as W. C. Shepherd Co.;

H. R. 4344. An act for the relief of Malone Hsia;

H. R. 4447. An act for the relief of W. R. Zanes & Co., of Louisiana, Inc.;

H. R. 5288. An act for the relief of Orville G. Everett and Mrs. Agnes H. Everett;

H. R. 5894. An act to amend the laws relating to the endorsement of masters on vessel documents and to provide certain additional penalties for failure to exhibit vessel documents or other papers when required by enforcement officers;

H. R. 5924. An act relating to the International Convention to Facilitate the Importation of Commercial Samples and Advertising Matter;

H. R. 6080. An act to provide for the conveyance of certain property of the United States in Gulfport, Miss., to the Gulfport Municipal Separate School District;

H. R. 6709. An act to implement a treaty and agreement with the Republic of Panama, and for other purposes;

H. R. 7051. An act to stimulate industrial development near Indian reservations;

H. R. 7914. An act to amend the Career Compensation Act of 1949 to provide incentive pay for human subjects;

H. R. 8076. An act to provide for the termination of the Veterans' Education Appeals Board established to review certain determinations and actions of the Administrator of Veterans' Affairs in connection with education and training for World War II veterans;

H. R. 8531. An act to provide interim system for appointment of cadets to the United States Air Force Academy for an additional period of 4 years;

H. R. 8705. An act to permit articles imported from foreign countries for the purpose of exhibition at the St. Lawrence Seaway Celebration, to be held at Chicago, Ill., to be admitted without payment of tariff, and for other purposes; and

H. R. 8821. An act to amend title II of the Social Security Act to facilitate the provision of social security coverage for State and local employees under certain retirement systems.

LEAD AND ZINC TARIFF

Mr. DOUGLAS. Mr. President, I ask unanimous consent to have printed in the RECORD, as in the morning hour, a very able editorial which appeared in the New York Times for Tuesday, August 20, 1957, protesting against the action of the Finance Committee in attempting to increase the tariff on lead and zinc.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BYPASSING THE TARIFF ACT

The lead and zinc industry in this country has been having some difficulties lately and its spokesmen have felt that it required some protection against foreign lead and zinc. There were two ways of dealing with this situation. One of them was for the President to proceed under the authority given him by the Reciprocal Trade Agreements Act, which has been operating since 1934.

Mr. Eisenhower has repeatedly expressed his approval of the reciprocal trade program, even though in a fairly mild way it cuts across the ancient Republican policy of protection. The flexibility provided by the so-called escape clause and a 1955 amendment intended to safeguard the interests of national security seemingly enabled him to deal with the existing emergency. This opinion was advanced in a letter sent to the White House last Friday by Chairman JERE COOPER of the House Ways and Means Committee, a Tennessee Democrat.

But the administration for some reason did not take the obvious road. It sent to the Ways and Means Committee a straight-out request for a sliding scale of tariffs on different types of lead and zinc. The committee promptly rejected this request. Then somebody had the bright and rather devious idea of attaching a flat 3-cent tariff on lead and zinc to an otherwise noncontroversial bill that the House had already passed and that was being considered in the

Senate Finance Committee. The lead and zinc industry apparently liked the proposal—perhaps because it did not require any higher mathematics.

At the moment nobody knows whether or not the lead-and-zinc proposals will go through in the hurried last days of the present session. It would be a comfort if they did not. Even though there may be an emergency in the affected industries, the principle that has been invoked is a bad one. If the administration and Congress were to get into the habit of bypassing the Reciprocal Trade Agreements Act, that act would be in effect repealed. This, in a world situation where the free countries need to have their international trade as unhampered as possible, would be a calamity.

AMENDMENT OF IMMIGRATION AND NATIONALITY ACT

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of S. 2792, which is Calendar No. 1080, and ask that it be stated by the clerk.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 2792) to amend the Immigration and Nationality Act, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with amendments.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EASTLAND. Mr. President, this bill is a compromise. It does not touch the basic provisions of the McCarran-Walter Act. It is designed to relieve certain hardship conditions which have arisen in the administration of that act.

At the outset, I wish to emphasize that in making these adjustments the bill does not modify the national origins quota provisions which have been a part of our immigration and nationality system since 1924, and which were carried forward in the Immigration and Nationality Act.

The bill, S. 2792, would permit the entry of a limited number of alien orphan children adopted by United States citizens. What it provides is that orphans, without any numerical limitation, can be admitted for adoption within a 2-year period. It is thought that during that time we could see how the act works and could determine whether or not to renew it. That provision is a committee amendment. The bill as introduced provided for the entry of 2,500 orphans a year. We thought the number of 2,500 was wholly inadequate. I know of several hundred applications from my State at this time. We thought

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued August 23, 1957
For actions of August 22, 1957
85th-1st, No. 153

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HIGHLIGHTS: Senate concurred in certain House amendments on supplemental appropriation bill, and further conference report was submitted. Several Senators discussed administration of REA. Sen. Watkins recommended transfer of certain meat-packing regulations to FTC. Rep. Hill urged revision of basic farm laws in second session. House committee reported rice acreage bill.

SENATE

1. SUPPLEMENTAL APPROPRIATION BILL, 1958. Agreed to the House amendments to the Senate amendments regarding poultry inspection, emergency conservation measures, and weather control (pp. 14210-11). Senate and House conferees were appointed for a further conference on two amendments not affecting this Department (pp. 14211, 14255). The House later received the conference report on these two amendments (pp. 14305).
2. MEAT PACKING. Sen. Watkins spoke in favor of S. 1356, to transfer certain functions under the Packers and Stockyards Act to the Federal Trade Commission. pp. 14249-52
3. ELECTRIFICATION. Sen. Barrett and several others debated the progress and administration of REA. pp. 14234-46
4. PERSONNEL. Passed with amendment S. 25, to provide that changes in pay of wage-board employees shall be effective not later than the beginning of the first pay period which begins on or after 30 days following the start of the survey. Agreed to an amendment by Sen. Carlson to provide that Saturdays and Sundays shall not be a part of the 30 days. pp. 14230, 14247-8

Sen. Johnston submitted an amendment which he intends to propose to S. 734, to revise the compensation schedules of the Classification Act. p. 14190

5. TRANSPORTATION. Agreed to the conference report on S. 939, relating to the rendering of transportation services to the Government at free or reduced rates under Sec. 22 of the ICC Act. Rejected, 19 to 62, a motion by Sen. Kefauver to postpone further action on the bill until Jan. 30, 1958. pp. 14213-28
(The main purpose of the bill is to limit the free or reduced rates to any time of war or national emergency.) This bill will now be sent to the President.
6. D. C. STADIUM. Agreed to the conference report on H. R. 1937, to authorize the construction, maintenance, and operation of a stadium in D. C. p. 14230
7. ATOMIC ENERGY. The Appropriations Committee reported with amendments H. R. 9379, the atomic energy appropriation bill for 1958 (S. Rept. 1080). p. 14187
8. FARM-CITY WEEK. The Judiciary Committee reported without amendment H. J. Res. 313, designating Nov. 22-28, 1957, as National Farm-City Week (S. Rept. 1103). p. 14188
9. WILDERNESS PRESERVATION. Sen. Thye inserted a Yugoslav National Home meeting resolution opposing S. 1176, the Superior Forest wilderness preservation bill, as being too restrictive. pp. 14190-1
10. PATENTS. A Judiciary Committee study, "The International Patent System and Foreign Policy," was ordered printed as S. Doc. 63. pp. 14248-9
11. LEGISLATIVE PROGRAM. Majority Leader Johnson announced that S. 1356, to transfer certain meat-packing regulation to FTC, is to be debated today, and that various other bills are to be considered in the near future, including S. 314, to assist the cotton textile industry to regain a proper share of the world market. p. 14231

HOUSE

12. RICE. The Agriculture Committee reported without amendment H.R. 8490, to establish rice acreage allotments, prevent the expansion of such allotments, and provide for a 65% penalty payment for rice produced by supported producers outside of their allotments (H. Rept. 1236). p. 14305
13. RESEARCH; LAND. Passed without amendment S. 1962, to convey a tract of USDA land near Bowie, Md. to the Perkins Chapel Methodist Church. This bill will now be sent to the President. p. 14275
14. FARM PROGRAM. Rep. Hill stated that everything about the farm program was not bad, inserted a column commenting on the increase in the prices farmers received, and urged that the House consider "fundamental changes in the approach toward the solution of our agricultural difficulties" in the second session. pp. 14292-3
15. PERSONNEL. Agreed to H. Res. 406, to provide for an investigation by the House Administration Committee of the Hatch Act and other restrictions on political participation by Federal employees. pp. 14280-2
16. WATER RESOURCES. Agreed to H. Con Res. 176, to print as a House Document Part II of the Central Valley Project Documents, comprising project operating documents, which had been reported by the House Administration Committee (H. Rept. 1232). pp. 14285, 14305

submission of this report to your committee.
Sincerely yours,

ROGER ERNST,
Assistant Secretary of the Interior.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby retroceded to the State of Montana such concurrent police jurisdiction as has been ceded to the United States of America over the rights-of-way of the Blackfeet Highway, including the highway itself, and over the rights-of-way of its connections with the Glacier National Park road system on the Blackfeet Indian Reservation, including the highways themselves, the same being the jurisdiction ceded by the act of the Legislature of Montana, approved February 27, 1929 (Laws of Montana, 1929, p. 63), and accepted by act of Congress approved May 2, 1932 (47 Stat. 144).

SEC. 2. Following acceptance by the State of Montana of the retrocession provided herein, the laws and regulations of the United States pertaining to Glacier National Park shall cease to apply to the territory of said rights-of-way and highways.

The PRESIDENT pro tempore. Is there further morning business? If not, morning business is concluded.

AMENDMENT OF SECTION 22 OF THE INTERSTATE COMMERCE ACT— CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 939) to amend section 22 of the Interstate Commerce Act, as amended.

Mr. SMATHERS. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. SMATHERS. What is the pending question?

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Tennessee [Mr. KEFAUVER] to postpone, until January 30, 1958, at 2 o'clock p. m., further consideration of the conference report.

Mr. SMATHERS. Mr. President, I ask unanimous consent that there be a quorum call, and that the time utilized in making the call be not deducted from the time of either side.

The PRESIDENT pro tempore. A quorum call is in order without any unanimous consent request.

Mr. SMATHERS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SMATHERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). Without objection, it is so ordered.

The question is on agreeing to the motion of the Senator from Tennessee [Mr.

KEFAUVER] to postpone, until January 30, 1958, at 2 o'clock p. m., further consideration of the conference report.

Mr. KEFAUVER. Mr. President, I yield myself 10 minutes.

The prime purpose of the House amendment pushed upon the Senate conferees, to which some Members of the Senate on the conference committee did not agree and which others accepted reluctantly, is to enable certain railroad companies to win a decision in a lawsuit which was brought in the District Court for the District of Columbia, and which is now pending on appeal in the circuit court of appeals.

An additional purpose of the amendment which was placed in the conference report, without a hearing, is to remove the injunction by the district court which was granted certain small airlines against certain railroad companies. A further purpose is to try to prevent the collection of damages in the amount of several million dollars because of alleged violations of the antitrust laws on the part of these railroads which were found to have been committed by the district court.

Mr. President, this is an unholy purpose. It is a purpose for which the Congress should not be used. Litigants in a case ought to try the case in the courts. They have no business coming to Congress to try to get themselves out of a judgment entered against them. They have no business to come to Congress to try to remove the restrictions of an injunction issued by the district court. They have no business to try to use the Senate or Congress to immunize themselves from a possible monetary judgment of many million dollars.

I wish to develop a little further the point that this is the primary purpose of this provision of the conference report.

The bill the Senate passed merely provided that the transportation companies under the jurisdiction of the Interstate Commerce Commission in the case of section 22 rates would file with the Commission a report, the purpose of which would be to enable a statistical study to be made of section 22 rates. The Interstate Commerce Commission was not given any jurisdiction over those rates. The Commission has never had jurisdiction over section 22 rates, according to the court decision and according to the Chairman of the Interstate Commerce Commission itself, Mr. Clarke. So the bill the Senate passed had a good purpose.

Then the bill went to the House of Representatives. The House committee reported the bill to the House of Representatives, and recommended adoption of the Senate provision regarding the filing of reports. At about that time the district court in the District of Columbia decided, in a case against the railroads, that they had been guilty of a violation of the antitrust laws. The court issued an injunction. The suit was also for damages in the amount of \$45 million. The case is now on appeal to the court of appeals.

At that point, without any hearings whatsoever, without giving the parties

to the suit an opportunity to be heard, there was offered on the floor of the House of Representatives—and the matter was treated as a more or less routine one—an amendment to change the position of the parties to that lawsuit by eliminating the injunction, and including the words which would take away the substantive right of the parties plaintiff for damages. All that was done without the holding of any hearings whatsoever. All that was done without giving the parties plaintiff in the suit—the small airlines—an opportunity to appear before the appropriate congressional committees.

I realize that toward the end of page 2 of the conference report the following appears:

Provided, That nothing in this paragraph shall affect any liability or cause of action which may have accrued prior to the date on which this paragraph takes effect.

I know that language was offered by Representative DINGELL, in the conference, and was adopted.

The original sponsors of the bill and the railroad lobby that is pushing it tried to have the bill passed without having that provision included. But, as I understand, it was added by Representative DINGELL in the conference.

Mr. President, the bill is cleverly drawn. The protection which is alleged to be given by means of this provision in the case of the lawsuit, in my opinion is practically no protection at all; and I wish to demonstrate why that is true.

In the first place, if the conference report is agreed to, the injunction will be meaningless, because in that case the railroad companies will be permitted, by statute, to do exactly what the injunction has said they cannot do; and, of course, the statute will supersede, and will give the railroads the right to do it, and will take away any protection afforded by the injunction. An injunction against a lawful act cannot stand. So long as there is a violation of the antitrust laws, the injunction is valid. But when the companies are exempted by statute from the antitrust laws, the injunction becomes meaningless, because an injunction cannot stand against a legal law enacted by the Congress.

As to the substantive right, Mr. President, this measure is the most skillfully worded measure I have ever seen. It is really a "slicker." I wish to pay my compliments to the clever lawyers who devised the language appearing on page 2, in order to try to avoid the burden of the millions of dollars which the railroad companies may be owing to these airlines, under the decision of the district court, which has decided in favor of the small airlines.

Let us just for a moment examine the language. How any Member of Congress can "fall" for this strange proposal, I do not know. I begin to read on page 1 of the amendment; the bill would be amended by inserting the following at the end of the section:

2. All quotations or tenders of rates, fares, or charges under paragraph 1 of this section for transportation, storage, or handling of property or the transportation of persons free or at reduced rates for the United

States or any agency or department thereof, including quotations or tenders for retroactive application, whether negotiated or renegotiated. After the service has been performed.

Mr. President, the intent there is, of course, is to permit the railroads to file retroactively their tariffs and their applications with the Interstate Commerce Commission, under section 5 (a) of the Transportation Act—that is to say, the Reed-Bulwinkle Act.

If the tariffs or applications are approved by the Interstate Commerce Commission, then, of course, the entire cause of action of the small airlines will vanish immediately. Mr. President, that is not right. It is not fair to take away, by means of such clever, slick language, anyone's rights in connection with a lawsuit.

So, Mr. President, regardless of the clause appearing at the end, if the conference report is agreed to, the suit of the small airlines—which they won in the district court—against the railroads, which were charged with violating the antitrust laws, will become meaningless, and the injunction which has been issued will become meaningless, because the action taken by the railroads in violating the antitrust laws will then have been made legal. Furthermore, the cause of action of the small airlines for damages will have been destroyed, because the effort in connection with this measure is to try to obtain retroactive approval by the Interstate Commerce Commission of what the railroads have done in violation of the antitrust laws.

Furthermore, of course, any protection which the small airlines may have had, or any opportunity they may have had to compete with the railroads, in the future will not exist, if this measure is enacted into law, because in that event the law will have been changed.

I have heard it said that the enactment of this measure will do nothing more than apply the Reed-Bulwinkle law to section 22 cases. In the first place, Mr. President, the Reed-Bulwinkle bill—for which I did not vote, but for which many of the present Members of the Senate and Members of the House of Representatives did vote—was passed only after long hearings before the House committee and the Senate committee. After the bill was passed, it was vetoed by the President. Thereafter, the bill was passed over the Presidential veto. The matter was a most highly controverted one. So, even if we accept the statement of those who say this measure is nothing but an extension of the Reed-Bulwinkle Act to section 22 transportation cases, it is strange that the law should be extended to so large an item of business. After all, the Government is one of the largest shippers of both freight and passengers. So it is very strange that such a change would be made without holding any committee hearings at all, and without having the matter receive any consideration by any congressional committee.

In the case of the Reed-Bulwinkle bill, the committee hearings lasted for months and months. The bill was highly controversial. But the present effort is

to extend the application of that act to the largest segment of freight and passenger traffic in the United States, and a very large part of the business of the railroads. And it is proposed that that change be made without having had any committee hearings whatever.

Mr. President, it is important to note that the conference report does more than extend the Reed-Bulwinkle Act to section 22 cases. Under the Reed-Bulwinkle Act, bad as it is, the railroads could draw up a tariff, when taking action in concert. The tariff would have to be filed with the Interstate Commerce Commission, and would have to be publicly advertised, and notice of it would have to be given, and there would have to be an opportunity for objections to be filed to the proposed tariff or rate, and there would have to be an opportunity to have a hearing held before the Interstate Commerce Commission. Thereafter, the Interstate Commerce Commission, acting in a quasi-judicial capacity, and after having given full notice, could approve the tariff, in which case it would be applicable in the future.

Mr. President, all Senators should read the language of the proposed change. None of those safeguards or standards is included in the monstrosity which is before the Senate at this time. Under this proposal, once the railroad companies negotiate for the business, they are entitled to make application to the Interstate Commerce Commission to have the tariff or rates applied retroactively—after they have the business, after they have acted. Then, if they find the negotiated rate is not satisfactory to them, they can renegotiate it, after the service has been performed. There will be no notice, there will be no opportunity for anyone to object, there will be no hearings, because the act will already have taken place.

The PRESIDING OFFICER (Mr. CLARK in the chair.) The time the Senator from Tennessee has yielded to himself has expired. Does he desire to yield himself additional time?

Mr. KEFAUVER. Mr. President, I yield myself 2 additional minutes.

The PRESIDING OFFICER. The Senator from Tennessee is recognized for 2 additional minutes.

Mr. KEFAUVER. So, Mr. President, the pending proposal is not only for an extension of the Reed-Bulwinkle Act to section 22 cases, but it would also take away all the existing safeguards. And that would be done without the holding of any hearings whatsoever.

Mr. President, the opinion of Judge McGarraghy appears in the CONGRESSIONAL RECORD of yesterday, beginning at page 14122. The RECORD also includes the orders which have been issued. The court's opinion represents months of study, litigation, and presentations to the court. The small airlines have a vested interest in the order the court has issued. So I cannot understand how any Member of Congress can in good conscience vote for a measure which would take away those rights of the small airlines and would deprive them of what they have won after a long and difficult presentation in court, and without at

least giving them an opportunity to appear at a hearing before a congressional committee.

Mr. President, no harm will be done by postponing action on this conference report until January 30, 1958. That will give the committees a chance to have hearings and give the parties who are interested an opportunity to have their day in court.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KEFAUVER. That is all my motion seeks to do.

I reserve the remainder of my time, Mr. President.

I assume the Senator from Florida desires to yield some time on the other side.

Mr. SMATHERS. Mr. President, I wish to say that the conferees have made their statement. They feel it stands unrefuted. We are ready to vote.

Mr. MORSE. Mr. President, I wonder if the Senator from Tennessee will yield me some time so that I may address some questions to the Senator from Florida?

Mr. KEFAUVER. How much time does the Senator wish?

Mr. MORSE. Ten minutes.

Mr. KEFAUVER. I yield the Senator from Oregon 10 minutes.

Mr. MORSE. First I wish to say that I agree with the Senator from Florida when he said, if I understood him correctly, about everything on the bill that could be said was said last night. I do not know what else I could say in opposition to taking up the conference report at this time, but I shall summarize what I said after I put a few questions to the Senator from Florida, for the RECORD, in order to make legislative history.

Did the Senate conferees examine General Lasher when he made the flat statement that unless the Harris amendment is agreed to it will cost the Government \$100 million?

Mr. SMATHERS. That is correct. That letter was written to us by General Lasher in his capacity as Executive Director of the Military Traffic Management Agency of the Department of Defense. We made that letter a part of the record.

Mr. MORSE. Did the conferees examine him about the letter?

Mr. SMATHERS. We had him before the conference committee, and did examine him with respect to the letter.

Mr. MORSE. Did he tell the conferees what the \$100-million consisted of, by way of a breakdown?

Mr. SMATHERS. He indicated to us it was broken down somewhat as follows. If I may, I should like to put into the RECORD his own language.

Mr. MORSE. Yes.

Mr. SMATHERS. This is his statement:

The monetary savings on the Department of Defense transportation bill for 1956 resulting from tenders under section 22 was \$140 million—\$12 million on household goods and \$128 million on other freight and on passenger traffic (H. Rept. 677, 85th Cong.). Restrictions against carriers jointly submitting, or through concerted action, quotations, would nullify most of these savings under section 22.

That is a part of his argument. We will strike out the argument—

As a vast majority of Government movements must, for practical purposes, result from joint consideration and action by carriers. This is particularly so on joint passenger movements, annual passenger agreements, area, territorial, and inter-territorial freight adjustments. It is the informed judgment of the traffic people in the Department of Defense that approximately 75 percent of the savings under section 22 result from quotations concertedly arrived at, or better than \$100 million.

We gathered from questioning him that approximately 85 percent of the Defense Department's expense with respect to transporting its goods had to do solely with freight, and that the remainder of it had to do with carrying passengers. In addition, I had him prepare a chart for us pertaining to traffic obtained by the supplemental air carriers, which Senators can see at the rear of the Chamber, and which I shall be glad to have the Senator from Oregon consult if he cares to do so.

General Lasher further pointed out that in 1952, when the nonscheduled airlines began to receive a part of the business, the railroads received about 65 percent of the total passenger business. That business has now been changed to the point where the railroads receive about 38 percent of the total passenger business of the Defense Department under the program in 1956. Of the group passenger travel of Defense, railroads, motor carriers, and water carriers receive much less than do the four nonscheduled airlines. That was, generally, the information we gathered.

Mr. MORSE. Would the Senator from Florida say the hearing which the conferees held, if it could be called a hearing, with General Lasher was comparable to the type of hearing which would have taken place had the Harris amendment, for example, gone back to the Committee on Interstate and Foreign Commerce, and those in favor and those opposed to it had been given an opportunity to appear before the committee and testify upon it?

Mr. SMATHERS. I would say it was not that type of hearing; but I would say the conferees, who have the same desire to save the taxpayers money as other Senators have, and the same desire, certainly in the case of the junior Senator from Florida—and I see present the Senator from Ohio [Mr. LAUSCHE]—to preserve the protection of the antitrust laws, as has any other Senator on the floor, felt that under the circumstances in which we found ourselves, this was the most practical thing we could do.

Mr. MORSE. I understand. The Senator from Florida understands that if we differ, we differ only over the matter of procedure. I happen to be of the opinion that when the Senate receives a conference report which involves really a rewriting of the bill which left the floor of the Senate and went to conference—a rewriting in the sense that an amendment was added on the floor of the House, on which there has been no hearing so far as the Senate is concerned—the burden of proof is on the conferees to show that any great harm would re-

sult from our waiting until January, when we could get the whole matter sent back to the Committee on Interstate and Foreign Commerce for hearing on the Harris amendment. That is the position which the Senator from Oregon takes.

Mr. SMATHERS. I could not disagree greatly with the Senator from Oregon except in this respect: I believe we as legislators have a duty to represent the Government of the United States and the taxpayers, just as we have a duty of representing four nonscheduled airlines.

Mr. MORSE. That is right.

Mr. SMATHERS. In this instance we felt that unless we took this action it would cost the Federal Government an extra \$100 million in fiscal 1958. That amount of money would not go to anybody that I know of except the railroads. So, in effect, we believed the most practical thing to do was to attempt to keep the situation as it has existed since 1948, at least until such time next year when perhaps the Senator from Tennessee or the Senator from Oregon, or perhaps I, could introduce a bill amending the Interstate Commerce Act and repealing outright the Bulwinkle provisions.

Mr. MORSE. The only difficulty I have with respect to the amount of \$100 million is that I am not inclined to accept it without a record that makes it possible for adverse witnesses to rebut it.

Mr. SMATHERS. Information has been given to various Senators by lobbyists—and I do not use that term unkindly, because all groups must have lobbyists—to the effect that the figure \$100 million probably is not correct.

Mr. MORSE. The reception room is full of lobbyists.

Mr. SMATHERS. As a Senator goes from the Chamber to the elevator he is importuned and buttonholed and has information stuck into his pockets and put in his ear that the figure is inaccurate. The best proof of the fact that it would cost the Government a great deal of money—I do not know if it would amount to \$100 million—is that the Atomic Energy Commission has stated it would cost it \$4 million and the General Services Administration has indicated it would cost it approximately \$13 million.

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. SMATHERS. I shall be glad to yield the Senator 5 minutes, and more, if he needs it.

Mr. MORSE. I am not going to be long. I made my long speech last night.

Mr. SMATHERS. I would say the best proof of the fact that the Government is realizing some benefit from the section 22 rate quotations made by the railroads is that in the complaint which was filed in the District Court it was alleged that the railroads were quoting rates 50 percent below the published rates. We find that is the first point in the decision of the court—that the railroads were quoting to the Government rates 50 percent below the published rates. It seems to me on the face

of that allegation it would at least have to be admitted that the Government was getting some benefit from section 22.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from Ohio.

Mr. LAUSCHE. I wish to invite attention to the question whether the members of the committee had any knowledge of what savings the Government would make except those as declared by General Lasher. Pending before the Committee on Interstate and Foreign Commerce was Senate bill 939, which is the bill now before the Senate, asking that there be a repeal of section 22. The main subject of inquiry was whether it would be to the interest of the Government to reject Senate bill 939 or repeal section 22, which permitted the railroads to charge lesser rates to the Government. Inquiries were made of the witnesses as to whether it should or should not be repealed. The Defense Department appeared and fought against the repeal of section 22.

I should like to read to the Senator from Oregon, because he possibly did not hear it, what I said yesterday:

On page 101 of the hearings on the bill, S. 939, we find the testimony of Mr. Smith, the Director for Transportation and Petroleum Logistics, of the Office of the Assistant Secretary of Defense, at the Pentagon, Washington, D. C. He was questioned by the Senator from Florida [Mr. SMATHERS]. I read the following from the hearings:

How much would it cost the Government if section 22 were repealed or changed, as has been recommended in Senate bill 939?

That is what is before us.

How much additional expense would it cost the Government?

Mr. SMITH. At the time I testified before the House committee last year, based on the then freight bills of the military departments, I estimated it would cost, if section 22 were eliminated, and all the rates went back to the tariff basis, the cost to the Government would be \$215 million per year. Based on the present freight bill, I testified before the House just a few days ago that the cost would be \$128 million per year.

I may say that that statement of Mr. Smith was challenged. Questions were put to him about studies which showed that the Government would make no saving. When we were through with our hearing, there was unanimous judgment that section 22 should not be repealed, because the loss to the Government would be \$215 million a year.

Mr. MORSE. I thank the Senator. I should like to have the Senator from Ohio or the Senator from Florida tell me whether the conferees considered the other alternatives by way of transportation available to the Government. It would seem to me that if the railroads raised the rates, then the Department of Defense would have to make a choice between and among alternatives, such as the use of trucks, buses, air and water facilities. Did the conferees go into that problem?

Mr. SMATHERS. I will say to the Senator from Oregon that of course when we talk about railroads the whole question of transportation is involved, and at the same time we are talking

about motor trucks and water carriers and everything but air carriers, because they all come under the same provisions of section 22. Naturally we did consider that feature.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. SMATHERS. Mr. President, I yield 5 additional minutes to the Senator from Oregon, so that we may continue the discussion.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 5 additional minutes.

Mr. COOPER. My question is addressed either to the Senator from Ohio [Mr. LAUSCHE], to the Senator from Florida [Mr. SMATHERS], or to the Senator from Oregon [Mr. MORSE].

Night before last, when the conference report came before the Senate for debate, I asked a question. Perhaps in the debate that question has been discussed. If so, I have missed the discussion in my reading of the RECORD.

My question was addressed to the opinion of those who have charge of this bill as to what the legal effect would be on the proceedings which were initiated in court. My own judgment was that if the Harris amendment became the law, and there was no ambiguity in the law, then the discussion on the floor or in the committee report could not change the legal effect of the law.

Mr. MORSE. The Senator is one question ahead of me.

Mr. COOPER. The case is before the court. I know there are great lawyers considering the question in the Senate. I should like to have their judgment on that issue.

I think the Senator will remember that in 1947 when the portal-to-portal pay bill was enacted there was a problem involved. I know something about that legislation, because I was a member of the subcommittee which had charge of the measure then pending. In that bill, it was specifically provided that all prior claims or subsequent claims dealing with the area covered by the bill, outside the field of the Fair Labor Standards Act, which had previously been considered an area for compensable activities, should be invalid. There was written into the law a specific provision about the effect of that legislation upon such proceedings. There was a proceeding at that time which had been initiated in a Federal district court and was in the process of appeal. What is the judgment of the Senators who are in charge of this bill and those Senators who are opposing the bill as to the legal effect of the amendment, so far as further court proceedings are concerned?

Mr. MORSE. I think it is only fair that I give my judgment first, for whatever it may be worth. Then I should like to have the opinion of the conferees.

I think we owe it to them to tell them what our doubts are about the language of the conference report.

It is my judgment that we cannot write anything into the conference report, including the Harris amendment, which could have any possible effect on the case in the court, unless the court found first

that the Harris amendment was ambiguous. If the Harris amendment is clear and unambiguous, it is the law.

In the conference report, I understand there is certain language which would seem to have been written by the conferees on the assumption that it sets forth reservations and qualifications about the Harris amendment. In my judgment, that is not worth the paper it is written on, if the court, picking up the Harris amendment, says that the law with the Harris amendment added to it has no ambiguity. The determination of whether there is an ambiguity cannot be made on the floor of the Senate. That determination has to be made in the courtroom, with able counsel representing the parties litigant. The court will have to decide whether there is an ambiguity.

If the court decides there is no ambiguity, then the conference report will not get into evidence. That is my legal opinion. I should be glad to ascertain whether the conferees are proceeding on the assumption that the Harris amendment is ambiguous. If that is so, that is all the more reason why we should wait until January, to get the matter cleared up.

The PRESIDING OFFICER. The time of the Senator has again expired.

Mr. MORSE. Mr. President, will the Senator yield me an additional 5 minutes?

Mr. SMATHERS. I am happy to yield the Senator an additional 5 minutes. However, I do not wish to yield all of my time. I believe I have yielded 15 minutes thus far. Is that correct?

The PRESIDING OFFICER. The Senator has yielded 13 minutes thus far.

Mr. SMATHERS. I yield an additional 5 minutes to the Senator from Oregon.

The PRESIDING OFFICER. The Senator is recognized for an additional 5 minutes.

Mr. MORSE. I yield to the Senator from Ohio.

Mr. LAUSCHE. It is my understanding of the law that the court, when interpreting the language, must declare the language to mean what it says, unless there is ambiguity. If there is ambiguity, the court can search for ulterior surrounding circumstances to determine what was intended.

In my judgment, there can be no question about the clarity of the language. It reads:

That nothing in this paragraph shall affect any liability or cause of action which may have accrued prior to the date on which this paragraph takes effect.

Now, the challenge is made that the preceding language may create an ambiguity. I do not think it does. The preceding language says that there shall continue the right to file, under the law, joint and concert rates. That is the only purpose of that language, I think we agree.

Mr. MORSE. I wish to say to my friend the Senator from Ohio that I think we agree on the rule of law as to legislative interpretation; but I want to say to my friend the Senator from Kentucky that the Senator from Ohio has convinced me all the more, when he has

talked about the present status of the bill, how wise it would be to let the report go over until January. All the circumstances could be considered de novo before the Committee on Interstate and Foreign Commerce. We could start all over.

In the meantime, the decision of Judge McGarraghy would go to the appellate courts for a determination.

That causes me to reiterate what I said last night, on the basis of the cost to the taxpayers. We should not forget that we are dealing here with a question involving the antitrust laws. I do not know what is more valuable to the American taxpayers than to keep the antitrust laws without any breach in them.

This dispute has arisen over the rider which was put on the bill in the House. I stress the argument I made last night, which was supported by the Senator from Illinois [Mr. DOUGLAS], who first described this amendment as a rider. The Harris amendment is a rider. If we did such a thing on the floor of the Senate, I think it would be subject to the long standing judgment if the Senate that in the Senate we do not pass legislation containing riders. What we are discussing is a rider. I do not think it has any place in the legislation which left the floor of the Senate, at least without a Senate hearing and without consideration of a legislative committee.

The legislative committees and not the conferees, under the procedure of the Senate, should make the decision with regard to bills which are to have the approval of the Senate. So in this instance it is rather like having the buggy before the horse. We really have a new bill within a bill that is brought back to us from the conferees, and the new bill was inserted in the Senate bill by way of an amendment in the House. If that were my only protest I would say wait until January, but I have the other objections which I have also raised.

I think the Senator from Ohio has very accurately stated what the law is as to the rule of legislative interpretation, but I believe the discussion also points out that we have a first class lawsuit coming along if we agree to the Harris amendment. Certainly counsel will try to have it set aside on some basis, if possible.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. LAUSCHE. I wish to offer this further suggestion to the Senator from Kentucky. If the language is clear, as I contend it is, then there can be no question that the rights now existing are preserved. But if there is ambiguity, and the court must look further to determine what the Congress intended, I now call attention to page 5 of the conference report:

However, it is the understanding of the conferees, in accepting the language which the House added to S. 939 as to the applicability of the Reed-Bulwinkle amendment to section 22 rates, that nothing therein adopted and agreed to herein would vitiate or in any way affect the order of the court in the Air Coach case or similar litigation now pending.

Mr. MORSE. Mr. President, I shall not ask for any more time. If my friend from Florida will permit me, I will close with this further brief statement:

I do not think the language which the Senator from Ohio has just read would have any standing whatsoever in a court of law in litigation involving the McGarraghy decision, which will go up on appeal. I think what is proposed, in effect, by way of a rider on this particular piece of proposed legislation, would at last crack the antitrust wall, if not blast some stones out of it and cause a real breach.

I say to my friend from Florida that I do not consider it to be an issue of railroad versus air coach line. I am not approaching it from that standpoint. I am approaching it from the standpoint of what will best protect the shippers and consumers of the country. I do not think the Harris amendment would do that.

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. SMATHERS. I yield the Senator from Oregon 3 more minutes.

Mr. MORSE. I ask my friend from Florida to think with me for a moment as to the effect on the "nonskeds." The nonskeds are pretty important in a great many States which are discriminated against in freight rates, such as my section of the country, and, very important, in the Senator's section of the country. Some of the nonsked air coach lines which have been put out of business have their bases in Florida. They are Florida companies. They have made a great contribution to the transportation system of Florida, just as they are making a great contribution to the transportation system of the Western States. So I say, give them their day in court. They are in court. The case is going "upstairs."

Now it is proposed to adopt the Harris amendment, which undoubtedly applies to the nonskeds. It will be to the disadvantage of the air coach lines. We are doing it, as I said last night, under a "wrinkle" whereby all the railroads have to do, after their concerted action, is to file their reports on rates, whereas under the Reed-Bulwinkle Act, at least the Interstate Commerce Commission has the legal authority, if it wishes to exercise it, to require hearings, and to approve or disapprove.

As I read the bill and the conference report—I think I am right; but, as I said last night, if not, I wish to be corrected—if we adopt the conference report, the Interstate Commerce Commission will have no authority to disapprove the rates. We would make the Interstate Commerce Commission only the receptacle for the filing of rates.

Mr. President, that is dangerous, if we want to protect the antitrust laws of the country.

I close with this observation: This is a proposal to substitute delegation of authority for regulation. It would delegate to the railroads the power to act in concert, and then simply file with the Interstate Commerce Commission, as a receptacle, their new rates without the Interstate Commerce Commission having any power to disapprove them, how-

ever disadvantageous they might be to other transportation systems.

What justification do we hear offered most often? It is said that we might save the taxpayers some money in regard to certain shipments from military installations. So says General Lasher, of the Pentagon Building. I would like to see him before a committee, under examination, before accepting his figures.

But let us take his assumption for a moment. Let me tell the Senate what I consider more valuable to the consumers of America than \$100 million. It is the importance of keeping protected, without any break, the great protective wall of antitrust authority, which is so vital to America's businessmen and consumers.

Mr. President, I rest my case.

Mr. KEFAUVER. Mr. President, I suggest the absence of a quorum.

Mr. SMATHERS. Mr. President, will the Senator withhold his suggestion of the absence of a quorum for a moment?

Mr. KEFAUVER. Certainly.

Mr. SMATHERS. I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Florida is recognized for 5 minutes.

Mr. SMATHERS. Mr. President, I think it is important that the Senator from Oregon and everyone else understand that when the Reed-Bulwinkle bill was passed, which became section 5 (a) of the act, it exempted railroads, motor carriers, water carriers, and freight forwarders from prosecution on the charge of acting in collusion or concert in making rates, first, to commercial houses and to commercial shippers. That was the understanding. That is what everyone thought could happen.

The question arose as to what is meant by rates. The word was interpreted by the Interstate Commerce Commission in a letter sent to me, which I have placed in the RECORD. It is a recent letter, more recent than any evidence which I heard quoted the other day, which I do not believe is to the point. In its letter to me the Commission stated that it had always understood that this protection was given to the railroads, motor carriers, and other carriers subject to the Interstate Commerce Act in dealing with the Government on section 22 rates, as well as in dealing with commercial houses.

Judge McGarraghy said, "I am going to let the railroads get together in concert and make certain rates to commercial houses. But we will not let them do that with respect to section 22 rates."

It is not a question of whether we like the Reed-Bulwinkle Act or dislike it. Some of us voted for it, and some of us voted against it. It was passed by a two-thirds vote in the House and Senate in 1948. I believe that a reasonable interpretation at that time was that naturally the act applied to all rates. It was never dreamed that a judge would come along and say, "Wait a minute; it does not apply to the Government, but we are going to apply it with respect to everyone else."

A case was filed in New Mexico in which the district court judge threw out this kind of claim made on the same

point. So we have two district court judges disagreeing as to what was meant by the Congress.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. MORSE. That is why I think it is so important that the case be decided "upstairs". We ought to wait until the judicial process has been completed.

The Reed-Bulwinkle Act, although it gave the railroads power to act in concert, did not provide that they might fix any rate they wished. The rates were subject to the approval of the Interstate Commerce Commission.

Mr. SMATHERS. That was a very difficult point for me to understand, too. I labored with the Interstate Commerce Commission to try to find out the meaning of the law.

Section 22 provides that the railroads can even give free rates, or anything below published rates; and the Interstate Commerce Commission, as such, could not approve or disapprove of such rates. That has been the law with respect to section 22 since 1887.

Initially the Government entered into an agreement with the railroads. It said, "We are not going to pay these published rates. We are a big shipper. We want you to give us the best rates you can." The Government could bargain with the railroads, up and down the scale. What the railroads had to do, first, was to submit to the Interstate Commerce Commission an agreement. Railroad A, railroad B, and railroad C, would get together in a certain area, either the Southwest, the Southeast, or the Senator's area, the Northwest, and establish a procedure which they would follow in fixing rates. The approval of the Interstate Commerce Commission is required if the agreement is to protect the carriers. The agreement, or the methodology, had to be approved, but not the specific rate itself, with respect to section 22 quotations.

It may be that the entire section ought to be stricken.

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Mr. SMATHERS. I yield myself 2 additional minutes.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. MORSE. I say good naturedly that this proves to me that action on the conference report ought to wait until January.

Mr. SMATHERS. We have had one hearing already this year on the question as to whether section 22 should be eliminated. The Senate finally passed on that bill on June 12. We agreed not to eliminate it, because it would cost the Government such an enormous amount of money.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield to the Senator from Tennessee.

Mr. KEFAUVER. The bill was not presented for the purpose of eliminating section 22. The bill as it came from the committee contained only a provision for

filing. The committee was not presented with the choice as to whether or not to eliminate section 22.

Mr. SMATHERS. The Interstate Commerce Commission sent to us a bill proposing to strike out section 22.

Mr. KEFAUVER. But that was not presented to the Senate.

Mr. SMATHERS. It was presented to our committee. As I told the Senator last night, I do not recall his being present. We held hearings for about a week and a half.

Mr. KEFAUVER. I have to attend a great many committee meetings, and I did not know a thing about it.

Mr. SMATHERS. I understand. As I said to the "nonsked" airlines, "Where were you? We would have liked to hear from you."

The Senator from Ohio and I indicated at the start that we believed section 22 should be eliminated. It was only after we heard the testimony of the Government as to the \$650 million traffic cost it had every year and that it would cost them in the neighborhood of \$215 million extra if we knocked out section 22, that we finally decided we were wrong, and we, therefore, changed our minds. So we reported the amended bill to the Senate, and it was passed by the Senate.

The PRESIDING OFFICER. The time of the Senator from Florida has again expired.

Mr. SMATHERS. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 35 minutes remaining.

Mr. SMATHERS. I yield myself an additional 3 minutes.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. PASTORE. Am I correct in understanding the Senator to say that under existing law the railroads can agree to act in concert with reference to the establishment of rates which affect commercial and private shippers, without violating the antitrust laws?

Mr. SMATHERS. The Senator is correct.

Mr. PASTORE. But in the case of the Government, as a shipper, the railroads cannot act in concert in establishing freight rates without violating the antitrust laws?

Mr. SMATHERS. That is what the district court decision has just held. That has been held for the first time.

Mr. PASTORE. All that the bill before the Senate would do, if I am correct, is actually to put the Government, as a shipper, in the precise position a private shipper finds himself in today under existing law. Is that correct?

Mr. SMATHERS. The Senator is absolutely correct.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. SMATHERS. I am happy to yield.

Mr. KEFAUVER. Under the Reed-Bulwinkle law, as it applies to shippers generally, certain standards have to be followed; that is, a tariff is set and filed with the Interstate Commerce Commission, and then complaints can be filed, and notice must be given. Under the

bill a different rule is applied to the Government, because under it the contract is made and it is carried out, and it then provides retroactive application, whether negotiated or renegotiated, after the service has been performed. Therefore, there is no advance proposal, which is provided for in the Reed-Bulwinkle Act.

Mr. SMATHERS. Since I am speaking on my own time, I will say once again to the Senator from Tennessee that there is a difference between agreements and the rates resulting from agreements. There is that difference, as the Senator suggests and has put his finger on it, but has not said it in so many words. In the case of a commercial shipper, as the Senator from Rhode Island has pointed out, not only do the railroads get together to make quotations of rates, but the rates must first be approved by the ICC; but when they file the rates with respect to commercial shippers, they have to publish the rates. Under section 22, once they have filed the agreement, and the methodology and procedure has been approved—and section 22 has been in existence since 1887—they can make any rate—reduced or free—to the Government or for other reasons, and the ICC says on that particular type of rate the agreement is all right, and the railroads can make any kind of reduced rate.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. PASTORE. What is disturbing the Junior Senator from Rhode Island—and I say this in all sincerity—is that I am one of those who believe that we ought to do very little to disturb the antitrust laws. I feel that the laws are for the common good and for the benefit of the people generally, and we ought not to take any steps which would weaken that philosophy and that system of law enforcement.

Mr. SMATHERS. I share the sentiments of the Senator from Rhode Island.

Mr. PASTORE. The situation, as I understand it now, is that today a private shipper can with immunity send his goods under a freight rate fixed by concert on the part of the railroads; but, when it comes to the Government, it would be a violation of the antitrust laws to do that. In other words, an individual is being placed in a better position than the Government itself.

Mr. SMATHERS. Under the decision of the district court, the Senator is correct.

The PRESIDING OFFICER. The time of the Senator from Florida has again expired.

Mr. SMATHERS. I yield myself an additional 3 minutes.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. JACKSON. In the House I voted against the Reed-Bulwinkle bill because I felt it was a weakening of the antitrust laws. If I understand the court's decision, the effect of it is to put the Government at a disadvantage so far as rates are concerned, as compared with private, commercial shippers. Am I correct?

Mr. SMATHERS. The Senator is correct; yes; under the court's interpretation.

Mr. JACKSON. The court decided, in effect, that, when Congress passed the Reed-Bulwinkle Act, it did not intend to include the Government with commercial shippers in the right on the part of the railroads to fix rates. Is that correct?

Mr. SMATHERS. That is what the court said.

Mr. JACKSON. I mean that is what the district court said.

Mr. SMATHERS. The district court; yes. That is the effect of the ruling. The effect is that the immunity from concert of action will apply with respect to rates for commercial shippers, but will not apply with respect to rates for the Government.

Mr. JACKSON. All I can say is that if shippers are to receive the benefits—if there are benefits, and I am not sure that there are many—from the provisions of the law, then I cannot understand on what basis we are going to permit the shippers to discriminate against the Government in the matter of freight charges.

Mr. SMATHERS. I can say to the Senator that there is only one basis—

Mr. JACKSON. I mean other than by repeal of the law.

Mr. SMATHERS. There is only one basis and that is the question whether we want to affect the suit of the non-scheduled airlines in the district court. The Senator is absolutely correct with respect to the equity of the matter.

Mr. JACKSON. So long as the law is on the books, it would occur to me it ought to be administered uniformly.

Mr. SMATHERS. The ICC thought so. The Defense Department thought so. The Members of the House and of the Senate who participated in the enactment of the Reed-Bulwinkle Act thought so. One district court also thought so. Another district court, however, has not thought so.

Mr. JACKSON. I should like to hear what the other side has to say.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. PASTORE. From a practical point of view, am I to understand that if this procedure is sanctified by the enactment of the proposed legislation now before the Senate, making the position of the United States Government analogous to that of a private shipper, the result will be reduced rates in favor of the Government, which would inure to the benefit of the taxpayers of the country? Is that correct? In other words, is this procedure being inaugurated to lower freight rates on behalf of the United States Government, or to raise them?

Mr. SMATHERS. Does the Senator refer to the procedure we are discussing here?

Mr. PASTORE. Yes; under the pending bill, or under the conference report.

Mr. SMATHERS. What we are endeavoring to do is to reestablish the condition which existed prior to the decision of the district court. I will answer the question by saying "Yes."

The PRESIDING OFFICER. The time of the Senator has again expired.

Mr. SMATHERS. I yield myself an additional 2 minutes. The Defense Department says, "We must have this procedure reestablished as it existed from 1948 to date, or it will cost us \$100 million." There may be some question about the exact figure, but they say it will cost them a considerable amount of money if we do not take the action here proposed. The Atomic Energy Commission has sent us a letter saying, "If you do not reestablish the procedure, it will cost us about \$4 million."

The General Services Administration has told us it would cost them about \$13 million. It would cost the TVA \$2 million, we have been told. And so it goes.

The only thing we can do is to accept the word of those agencies that we should reestablish the situation which existed prior to the decision of the district court. The only way we can do it is by the method the conference report proposes. In that way we would save the Government a considerable amount of money.

Mr. PASTORE. Without regard to whether there is involved a violation of the antitrust laws, is it not correct to say that the procedure in any event, whether it involves the United States Government or whether it involves a private shipper, is being instituted for the reason that the concerted action on the part of the various railroads will result in lower freight rates?

Mr. SMATHERS. To a certain extent. As I once again say, the Defense Department says it will. The Atomic Energy Commission says it will. The other agencies say it will. That is the only testimony we have to go on.

Mr. PASTORE. Does the Senator know of any instance where the concerted action on the part of the railroads has resulted in higher freight rates?

Mr. SMATHERS. Not with respect to the Government, because section 22, which allows the carriers to deal with the Government, says that the carriers can offer to the Government free or reduced rates, meaning below published rates which go to the ordinary commercial shipper.

Mr. PASTORE. May I ask one further question?

Mr. SMATHERS. I yield.

Mr. PASTORE. Is the grievance or the objection to the proposed legislation chiefly the fact that we are permitting a violation of the antitrust laws, or is this to protect competition on the part of nonscheduled airlines?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SMATHERS. I yield myself an additional 2 minutes.

I wish to say in all candor, as I said before, and as I said this to the Senator from Minnesota last night, that we want to keep the nonscheduled airlines in this business, if we can, because naturally where there is one method of transportation competing with another method of transportation for Government business, the result will be a lower price for the Government.

What we want to do, as we agreed last night and in the other discussions we

have had, is to try to put the non-scheduled airlines, at the beginning of next year, in the same competitive position with respect to getting Government business that the railroads and motor carriers occupy today. The reason we could not do it in the pending bill is that the bill proposes to amend the Interstate Commerce Act, whereas the non-scheduled airlines come under the Civil Aeronautics Act, as the Senator knows.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. SMATHERS. I am happy to yield to the Senator from Ohio.

Mr. LAUSCHE. The Senator from Ohio desires to point out that shippers and the Interstate Commerce Commission support the passage of S. 939, as introduced, which would repeal section 22. That section, which is involved in this debate, provides for the Government lower rates on the same basis as that of the rates given to private shippers. The argument in favor of section 22—which, according to Mr. Smith, saved the Government \$215 million 2 years ago—was as follows: The railroads are charging so little to the Government, that the Government has been saved \$215 million; and to the extent that the income to the railroads has thus been reduced, other shippers have to make up for it.

We did not accept that argument as a sound basis for repealing section 22. But the court decision substantially repeals it; and this measure contemplates an avoidance of that repeal.

Mr. PASTORE. Mr. President, will the Senator from Florida yield, so that I may ask a question of the Senator from Ohio?

Mr. SMATHERS. I am glad to yield.

Mr. PASTORE. Then I understand from the distinguished Senator from Ohio that there is absolutely no question in his mind that by permitting the railroads to act in concert with reference to the establishment of their rates, when the Government is a shipper, the result has been reduced rates to the Government and a saving to the taxpayers of the country.

The PRESIDING OFFICER (Mr. MONRONEY in the chair). The time the Senator from Florida has yielded to himself has expired.

Mr. SMATHERS. Mr. President, I yield myself 1 more minute.

The PRESIDING OFFICER. The Senator from Florida is recognized for 1 additional minute.

Mr. SMATHERS. I yield further to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, I would answer the question of the Senator from Rhode Island by asking him to ask each member of the Interstate Commerce Commission, and especially those on the small committee, what their conclusion is. The conclusion is that if section 22 is repealed, so that the Government is removed from that protective position, the result will be an additional cost to the Government, not of \$100 million, but of more than \$200 million.

Mr. PASTORE. Mr. President, the Senator from Ohio has answered my question.

Mr. HUMPHREY. Mr. President, will the Senator from Florida yield to me?

Mr. SMATHERS. I am happy to yield to the Senator from Minnesota.

Mr. HUMPHREY. I wish to know why it is that the American Association of Railroads is so anxious to lose money.

The PRESIDING OFFICER. The additional time the Senator from Florida has yielded to himself has expired.

Mr. SMATHERS. Mr. President, I yield to myself 5 additional minutes.

The PRESIDING OFFICER. The Senator from Florida is recognized for 5 additional minutes.

Mr. SMATHERS. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Florida has 22 minutes remaining.

Mr. HUMPHREY. Mr. President, I pose the question again to the Senator from Florida, in light of the colloquy which has just occurred. The American Association of Railroads indicated in a letter which was printed in the CONGRESSIONAL RECORD on yesterday—a letter signed by the vice president and general counsel of the association, that following Judge McGarraghy's decision, they would refuse to submit section 22 quotations or bids to the Department of Defense; and they are insisting that section 22 be maintained.

My question is this: If it be true that the railroads give so much lower rates under section 22, and if it is true that that saves the Government so much money, why are the railroads so anxious to have section 22, which makes the reduced rates possible, retained? The Government has to ship troops and commodities, regardless of the rates which apply. So why are the railroads so anxious to have the Government have the benefit of low rates?

Mr. SMATHERS. I asked them that question. I asked them, "Are you ever forced to accept this business?"

They replied, "No; we are not."

Then I asked, "Would you ever accept business would result in a loss to you?"

They replied, "Well, in some cases we would—if it resulted in our taking our equipment across the country, where we would be able to have a profitable haul back."

Mr. PASTORE. Mr. President, will the Senator from Florida yield to me?

Mr. SMATHERS. I yield.

Mr. PASTORE. I am very much impressed with that argument, and surely the junior Senator from Rhode Island is not a protagonist of the railroads. But let me ask this question: Must not we rely on the statement which was made by the representative of the Department of Defense and the statement which was made by the representative of the Atomic Energy Commission, and the statements which have been made by the representatives of the other Government agencies which have shipping business? They have said to the committee, "Unless this measure is enacted, our transportation bill will be much higher." Does not that impress the Senator from Minnesota?

Mr. HUMPHREY. Yes. As I said yesterday, I was primarily seeking information which had not been obtainable from any hearings, because there were

no hearings on the Harris amendment, inasmuch as the Harris amendment was tacked on in the House of Representatives, and was railroaded through—to use the proper terminology—in the conference.

But here there is a conflict of evidence. The Bureau of Transportation Economics and Statistics, of the Interstate Commerce Commission, points out that the Government pays more under section 22 rates. That statement is included in the record of the House committee hearings of the 84th Congress.

Mr. SMATHERS. That is correct; there is no doubt about it.

Mr. HUMPHREY. The chairman of the Interstate Commerce Commission says that is not true. But I recall that at one time, when the committee was dealing with postal rates, and when a representative of the Interstate Commerce Commission was before the committee, when the committee was dealing with the so-called round-trip provisions in the case of the Post Office Department, wherein the Government of the United States was compelled to pay as much for the transportation of an empty railroad car as it was for the transportation of a full railroad car, there were 45 railroad attorneys against one post-office attorney, a gentleman from Chicago, Mr. Delany, a very able man—

Mr. SMATHERS. Mr. President, the Senator from Minnesota is speaking in my time.

Mr. HUMPHREY. Very well; I shall suspend. I appreciate the courtesy of the Senator from Florida in permitting me to speak this long.

Mr. SMATHERS. Mr. President, the principal allegation made was that the railroads were taking action in concert in order to offer rates as much as 50 percent below the published rates; and the district court found that to be the case. So, Mr. President, if they were trying to offer rates as much as 50 percent below the published rates, the Government was bound to be benefiting by such lower rates.

Mr. HUMPHREY. But the point is that those rates were 50 percent below the published rates, in a situation in which there was competition. Certainly all that is involved in this matter is the old skin game, which is known to anyone who has ever run a corner drugstore, namely, if you have competition, cut your rates sharply, and cut them enough, and cut them long enough, until you can drive all your competition out of business. Then, when all your competition has vanished, you can raise your rates enough to make up for the cuts you made in the preceding period.

The PRESIDING OFFICER. The additional time the Senator from Florida has yielded to himself has expired.

Mr. SMATHERS. Mr. President, I yield myself 1 more minute.

The PRESIDING OFFICER. The Senator from Florida is recognized for 1 additional minute.

Mr. SMATHERS. Mr. President, the Senator from Minnesota and I agree that, ordinarily, when there is no competition, the railroads quote a passenger rate only 10 percent below the published rates;

but when there is competition, they reduce their rates as much as 50 percent below the published rates.

On the other hand, why have a situation in which the railroads cannot establish reduced rates for the Government?

Mr. PASTORE. Mr. President, will the Senator from Florida yield to me?

Mr. SMATHERS. I yield.

Mr. PASTORE. Will the Senator from Florida yield, so that I may ask another question of the Senator from Minnesota?

The PRESIDING OFFICER. The additional time yielded by the Senator from Florida to himself has expired.

Mr. SMATHERS. Mr. President, I yield myself 2 additional minutes.

The PRESIDING OFFICER. The Senator from Florida is recognized for 2 additional minutes.

Mr. HUMPHREY. Perhaps the Senator from Tennessee will yield time at this point.

Mr. KEFAUVER. Mr. President, let me inquire how much time remains under my control?

The PRESIDING OFFICER. The Senator from Tennessee has 33 minutes remaining under his control.

Mr. KEFAUVER. Mr. President, in that case I yield 5 minutes to the Senator from Minnesota [Mr. HUMPHREY].

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 5 minutes.

Mr. PASTORE. Mr. President—

Mr. HUMPHREY. I yield.

Mr. PASTORE. The Senator from Minnesota makes a rather good argument. What disturbs me is that this situation does not apply to a private shipper, whereas all we are trying to do is give the United States Government the same advantages a private shipper has.

If action taken in concert actually, in the long run, hurts the United States, as a shipper, then does not the Senator think the law should be changed, so there would be a violation of the antitrust laws, without regard to whether the shipper was a private person or was the United States Government?

Mr. HUMPHREY. To be frank about the matter, my answer is "Yes." What the Senator from Rhode Island is saying is that the Reed-Bulwinkle Act is the source of the evil—and I agree—and that what we should do is, instead of scratching, perform major surgery.

However, we are not now in the operating room; we are only in the bandaging room. In short, what we have before us is the report of the conference committee.

Mr. PASTORE. If the Senator from Minnesota will today submit a bill to amend that, I will go along with him, and I will vote for the amendment.

Mr. HUMPHREY. But the point is that we cannot amend a conference report.

Mr. SMATHERS. But we could act on such an amendment in January of next year.

Mr. HUMPHREY. The Congress will be on the job then, I trust. In fact, we may not leave here before then. I say that because I want everyone to have a bad day. [Laughter.]

Mr. MORSE. Mr. President, will the Senator from Tennessee yield 5 minutes to me?

Mr. KEFAUVER. I yield 5 minutes to the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 5 minutes.

Mr. MORSE. Mr. President, I desire to have the attention of the Senator from Washington [Mr. JACKSON] and the Senator from Rhode Island [Mr. PASTORE]. This is not the place to try a lawsuit; but I wish to say that I completely disagree with my friend, the Senator from Florida [Mr. SMATHERS] in regard to what the Reed-Bulwinkle Act provides. The act itself reads as follows:

(3) CHANGE IN RATES, FARES, ETC.; NOTICE REQUIRED; SIMPLIFICATION OF SCHEDULES

No change shall be made in the rates, fares, and charges or joint rates, fares, and charges which have been filed and published by any common carrier in compliance with the requirements of this section, except after 30 days' notice to the Commission and to the public published as aforesaid, which shall plainly state the changes proposed to be made in the schedule then in force and the time when the changed rates, fares, or charges will go into effect; and the proposed changes shall be shown by printing new schedules, or shall be plainly indicated upon the schedules in force at the time and kept open to public inspection: *Provided*, That the Commission may, in its discretion and for good cause shown, allow changes upon less than the notice herein specified, or modify the requirements of this section in respect to publishing, posting, and filing of tariffs, either in particular instances or by a general order applicable to special or peculiar circumstances or conditions: *Provided further*, That the Commission is authorized to make suitable rules and regulations for the simplification of schedules of rates, fares, charges, and classifications and to permit in such rules and regulations the filing of an amendment of, or change in, any rate, fare, charge, or classification without filing complete schedules covering rates, fares, charges, or classifications not changed if, in its judgment, not inconsistent with the public interest.

So I dispute the contention of the Senator from Florida that under the Reed-Bulwinkle Act, fare changes and rate changes do not have to be approved by the Interstate Commerce Commission.

The distinguished Senator from Washington [Mr. JACKSON] and I discussed this matter at great length on yesterday. We think the Commission is subject to severe criticism, and we think it should be thoroughly investigated, as we said on yesterday, on the floor of the Senate. The Commission has been accepting these changes without itself making any alterations in them. But under the statute, the Commission has the clear, mandatory duty, in my opinion, to see to it that any rate proposed as a result of action taken in concert meets with the approval of the Commission.

Mr. SMATHERS. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. First, Mr. President, I wish to say that in the present instance, the attempt being made is to breach the antitrust law. The present attempt is to make the Interstate Commerce Commission the receptacle of notices of rate changes, rather than to have the Inter-

state Commerce Commission make the railroads come before it and put the proposed new rates on top of the table, in advance of initiating them.

Consider the measure which is before us, particularly the language at the top of page 2, as follows:

At reduced rates for the United States Government, or any agency or department thereof, including quotations or tenders for retroactive application—

That is the jigger, that is the gimmick, in this particular bill—

for retroactive application whether negotiated or unnegotiated after the services have been performed, shall be in writing or confirmed in writing and a copy or copies thereof shall be submitted to the Commission by the carrier or carriers offering such tenders or quotations.

There is nothing the Interstate Commerce Commission can do, under that provision. It will just have to receive the copies or file them.

I am saying, let us wait until January. Let the McGarraghy decision go to the court of appeals. In my judgment, Judge McGarraghy found, in effect, that what railroads are doing is using traffic from military installations, Government business, to undercut other forms of transportation, in order to break the competition, and then they will be in a position, when the field is wide open, after breaking competing lines, to raise the rates, which the taxpayers would have to pay.

So what Judge McGarraghy is saying—and I am not so sure it is not a very wise statement; at least we should wait until the Supreme Court has a look at it—is that he is not going to sit still and let the railroads use the Pentagon and the Atomic Energy Commission and other Government agencies as a device for a cutrate program for shipment of goods in order to break other shippers who are serving the businessmen and commercial houses of America.

It makes a good argument to say we are going to save the taxpayers some money by shipping Government goods in that manner. What the judge is pointing out is that the railroads are using traffic from Government installations, for cutting rates in order to put competition out of business. Then watch how high the rates will go after the competition has ended.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. JACKSON. I voted against the Reed-Bulwinkle bill, because I felt that breaking the antitrust laws was bad and that in the end competition would be lessened; but is it not true that the same argument which the distinguished senior Senator from Oregon has just made, which is an able argument, applies with equal force where such rates are made for private commercial handlers?

Mr. MORSE. It surely does. Under the bill, with the Harris amendment in it, the Interstate Commerce Commission, if it is not holding hearings, is not approving of these rates and is not carrying out the language of the Reed-Bulwinkle provisions.

Mr. JACKSON. One reason why I voted against the Reed-Bulwinkle bill

was that private commercial shippers could do the very thing the Senator has mentioned. What disturbs me is that the provision has been interpreted to apply to commercial shippers, but not to the Government. I am against the whole procedure. How can one justify discrimination against the Government in the matter of lower rates?

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. KEFAUVER. I yield the Senator from Oregon 3 minutes more.

Mr. JACKSON. How can one justify discrimination against the Government, with all the accompanying bad practices, when Congress has legalized the action as to private commercial shippers? I am against the Reed-Bulwinkle Act. I voted against the bill. What disturbs me is that the Government has a disadvantage so far as actual dollars are concerned.

Mr. MORSE. My reply is that we ought to wait until the higher courts have acted upon the decision of the district court. Then we could have hearings on the Harris amendment, which we have not had, and get testimony before the Committee on Interstate and Foreign Commerce, of which the Senator from Rhode Island is a member. Hearings could be held in January, and then we could decide whether or not it is desired to rewrite the whole bill. I do not know why we should, on the floor of the Senate, pass on a rider which has been added to the Senate bill by the House of Representatives.

Mr. PASTORE. I agree with the Senator. If there were something we could do to suspend the whole action until January, that would be all right, but I suppose we are going to vote the report up or down. When the question comes on a motion to recommit, I shall vote for it. I think discrimination ought to be removed entirely. I believe the law ought to apply as equally to the private shipper as it does to the Government.

Mr. MORSE. I shall vote against repeal of section 22 in January, if I get a chance to do so.

Mr. PASTORE. I shall, too, but when the motion to recommit is put, I shall vote for it. If there is to be an up-or-down vote, I shall vote to give the United States Government the same kind of an advantage private shippers have.

Mr. MORSE. The question before the Senate is the Kefauver motion, which proposes to postpone action on the conference report until January.

Mr. PASTORE. I shall vote for it.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MORSE. I have made my case, so far as I am concerned.

Mr. KEFAUVER. I yield 3 minutes to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, the argument which has been relentlessly pursued in this case—and it is a moving appeal to the citizenry—is that we are going to save the Government money. The answer to that argument is that we may temporarily chalk up or add up an economic saving, but at the expense, No. 1, of basic public statutes, the antitrust laws, which protect the free enterprise system ultimately at the expense of the

users of transportation, because the history of this kind of activity is that when there are loss leaders, which is exactly what section 22 deals with, they drive competition from the marketplace. For every dollar the Government saves, the taxpayer ultimately pays far more in increased prices or rates.

If what is sought were permitted, it would be a violation of the Robinson-Patman Act, because it would legalize loss leaders, since that is what is contemplated, and in one sense there would not be competition in good faith, because there would be competition only in the areas where there was an attempt to destroy competition.

It is on that basis that I think the Senator from Tennessee has made a motion which is worthy of our favorable consideration. The Senator from Tennessee is not saying we should kill the conference report. The Senator from Tennessee is saying we should delay final action on it until the committees designated by Congress to undertake an investigation into this very complex field have an opportunity to do so. The complexities of the transportation laws are almost beyond human comprehension. The Senator from Tennessee has said, "Look, here comes a House provision on a conference report," and he is asking only that the Senate of the United States take enough time, until January next year, next session, so that we can really look into the question. As the Senator from Rhode Island has said, he would have serious doubts about voting nay on the conference report, which I think all of us would have, because after we return home people might say, "You voted to have the taxpayers pay \$100 million more."

By the way, I remind Senators that the conference report contains retroactive provisions. Therefore, even if we should delay action until January, nothing will be lost even if the conference report should then be agreed to. In the meantime, Members of the Senate will know what they are doing.

I say to my colleagues that when we literally drive a bulldozer through the antitrust laws in the name of the Federal Government, and in the name of departments and agencies whose representatives appeared before Congress, with a letter as their testimony, then we are taking a pretty serious step. I am frank to tell my colleagues I am in doubt about many points in the conference report. It is not ironbound.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PURTELL. I wonder if the Senator will yield to me.

Mr. SMATHERS. I think I have yielded to the Senator from Tennessee and the Senator from Oregon about 10 minutes in order to argue the proposition's case. I think the Senator naturally would like to see that action reciprocated.

Mr. PURTELL. I understood the Senator from Oregon to state he quoted from the Reed-Bulwinkle bill. Do I correctly understand that the Senator from Oregon quoted from a law which he said was the Reed-Bulwinkle bill?

Mr. MORSE. Yes.

Mr. PURTELL. As I understand section 7, that is not the Reed-Bulwinkle bill. The section is section 5 (a).

Mr. MORSE. I quoted section 6.

Mr. PURTELL. The Reed-Bulwinkle part is section 5 (a).

Mr. MORSE. I may say to the Senator from Connecticut, counsel advises me that I quoted from the rate section of the Reed-Bulwinkle bill.

Mr. SMATHERS. Counsel is incorrect.

Mr. PURTELL. Counsel is not correct. The Reed-Bulwinkle part is section 5 (a).

Mr. MORSE. I may say to the Senator from Connecticut I quoted section 6 of the Interstate Commerce Act, of which the Reed-Bulwinkle bill is a part, and the rate part applies to the section of the act that includes the Reed-Bulwinkle bill. I have quoted the ratemaking section of the Interstate Commerce Act, of which the Reed-Bulwinkle bill is a part, and it is equally applicable to the procedures under the Reed-Bulwinkle section.

Mr. PURTELL. Of course, every part of the act is a part of the whole, as is the Reed-Bulwinkle bill, but the Reed-Bulwinkle bill specifically treats of this matter under paragraph 9, affecting immunity under the antitrust law. That is what the Reed-Bulwinkle bill provides, and it is not provided in section 6.

Mr. MORSE. It has nothing to do with the duty of the Commission to pass upon any rates.

Mr. PURTELL. That is correct.

Mr. MORSE. That is what section 6 provides. It is the only rate-making section.

Mr. PURTELL. Mr. President, may I have another minute?

Mr. KEFAUVER. I yield the Senator 1 minute.

Mr. PURTELL. I suggest that we have a letter from the chairman of the Interstate Commerce Commission which also points out that this not only covers rates, as one might interpret what rate means, but also agreements under section 5 (a).

Mr. MORSE. My question is, So what? The Chairman of the Interstate Commerce Commission cannot change the law. I read the law to the Senator.

Mr. PURTELL. No, the Senator did not read section 5 (a). The Senator read section 6.

Mr. MORSE. I read the rate section, which applies to the Reed-Bulwinkle act.

Mr. PURTELL. That is correct, but that does not apply to section 22, I will say to the Senator.

Mr. MORSE. It applies to any rate any railroad may make, under the Interstate Commerce Act, unless we pass the bill and the situation which is set up under it. Under the Interstate Commerce Act, the railroads cannot establish rates without getting approval of the Interstate Commerce Commission.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PURTELL. Mr. President, will the Senator yield me 1 more minute?

Mr. KEFAUVER. I yield an additional minute to the Senator from Connecticut.

Mr. PURTELL. May I read section 22?

Mr. MORSE. Certainly.

Mr. PURTELL. Section 22 provides:

That nothing in this part shall prevent the carriage, storage, or handling of property free or at reduced rates for the United States, State, or municipal governments, or for charitable purposes—

Mr. MORSE. For charitable purposes. Section 22 does not mean that in the absence of the legislation such as it is proposed we pass today the railroads can fix any rate they want to and not follow the regulations prescribed in section 6.

Mr. PURTELL. The regulations in section 5.

Mr. MORSE. That is why I suggest we ought to have a thorough investigation of what we are doing.

Mr. PURTELL. They can follow the regulations prescribed in section 5. If the agreement is entered into and approved by the Interstate Commerce Commission, the Commission can grant to the railroad authority to charge the rate. They have been doing that since 1948.

Mr. MORSE. That is what I am talking about. They ought to get approval. The Senator has used those words himself.

Mr. PURTELL. They do get approval, I will say to the Senator.

Mr. MORSE. I was answering the argument that they did not have to get approval, and the Senator said that they did. I am glad the Senator is on my side.

Mr. PURTELL. I beg the Senator's pardon. I should like to be on the Senator's side, but I am not.

Mr. MORSE. Do they get approval, or do they not?

Mr. PURTELL. They get an approval of the right to agree, but not of the rates, as stated in section 5 (a).

Mr. MORSE. We cannot escape the language of section 6, which is applicable to section 5 (a).

Mr. PURTELL. I am not trying to escape the language of section 5 (a). I refer to the language of section 5 (a) and section 22.

Mr. MORSE. That is further evidence that we had better wait until January to find out about many things.

Mr. PURTELL. We have a clear understanding of it.

Mr. MORSE. The Senator thinks he does, but he had better wait until the courts get through with it.

Mr. KEFAUVER. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Tennessee has 16 minutes remaining.

Mr. KEFAUVER. Does the Senator from Florida desire to yield some time now?

Mr. SMATHERS. I have less time remaining than has the Senator from Tennessee.

Mr. KEFAUVER. Mr. President, I yield myself 6 minutes.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield to the Senator from Rhode Island for a question.

Mr. PASTORE. I ask the distinguished Senator from Tennessee this question: In the event that action is postponed on the conference report, will the result be that the Government will be able to proceed as it has proceeded heretofore, before the case was brought in the district court, or will the Government be prejudiced in any way, in view of the decision rendered by the court?

Mr. KEFAUVER. There is no prohibition against the Government proceeding, under section 22, to enter into any contract with any carrier for the hauling of goods at a reduced rate. It can continue to proceed in that manner.

The only thing which the carriers could not do would be joining together for the purpose of getting Government business. That is what is covered by Judge McGarraghy's opinion. The carriers could proceed to reduce the rates and make any rate they wanted to for the purpose of getting Government business, so long as they did not act in a conspiracy in violation of the antitrust laws.

Mr. PASTORE. I understand that the decision has been appealed.

Mr. KEFAUVER. The decision has been appealed to the court of appeals. The court of appeals will decide the case this fall.

Mr. PASTORE. Does the judgment of the district court stand as the law until the appeal is heard, or does the appeal automatically vacate the opinion of the court pending the appeal?

Mr. KEFAUVER. As the matter now stands, the railroads, if they entered into a conspiracy, would be taking a chance of violating the antitrust laws. Whether they are willing to take the chance, I do not know. Personally, I think they are in direct violation of the antitrust laws in what they have done, under the McGarraghy opinion.

Mr. PASTORE. I hope the Senator from Tennessee realizes what the problem of the Senator from Rhode Island is. I have already indicated that I should like to see action on the conference report postponed. Now I understand from the remarks of the distinguished Senator from Tennessee that we cannot postpone it, because in the meantime, from now until we take action in the Congress, the decision handed down by Judge McGarraghy will be in effect. Is that correct, or incorrect? I should like to know the answer.

Mr. MORSE. Mr. President, will the Senator from Tennessee yield to me for a half minute, with regard to the question which has been asked?

Mr. KEFAUVER. I yield.

Mr. MORSE. I should like to have the attention of counsel. Counsel cannot speak, but he can speak through me.

It is my understanding that at the present time there is no injunction in effect. The court of appeals has stayed the injunction. The appeal will be heard on September 9.

Counsel advises me that that is the correct understanding. The appeal will be heard September 9.

Mr. PASTORE. Therefore, as the matter now stands, we can proceed, and go along as we did before the case was taken to the district court, under the law as it was understood at the time.

Mr. MORSE. That is my understanding.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. KEFAUVER. While the injunction has not taken effect, if the court of appeals and the Supreme Court finally decide as Judge McGarraghy decided, in my opinion the small air companies, in the absence of the proposed legislation, would be able to win the judgment against the railroads. But if Judge McGarraghy is overruled, they would not be able to.

Mr. PURTELL. Mr. President, will the Senator yield to me for 1 minute?

Mr. KEFAUVER. I yield first to the Senator from Minnesota [Mr. HUMPHREY].

Mr. HUMPHREY. It seems to me the point which needs to be clarified, insofar as the law which is under discussion is concerned, is the exact interpretation relating to section 5 (a) and section 22. We keep kicking these two sections around. I should like to see if I have a proper understanding of them.

Section 5 (a) is in fact the Reed-Bulwinkle Act.

Mr. SMATHERS. The Senator is correct.

Mr. HUMPHREY. Section 5 (a) provides for concerted ratemaking, but subject to the plenary jurisdiction of the Interstate Commerce Commission.

Mr. KEFAUVER. Section 5 (a) provides for concerted ratemaking, but the carriers have to file a notice for 30 days and make an appearance.

Mr. HUMPHREY. That is correct.

Mr. KEFAUVER. And anybody can file an objection.

Mr. PURTELL. It is simply necessary to get approval.

Mr. KEFAUVER. It is necessary to get approval.

Mr. HUMPHREY. That matter is subject to the jurisdiction of the ICC.

Mr. KEFAUVER. The Senator is correct.

Mr. HUMPHREY. In other words, the rates must ultimately be subject to ICC authority.

Mr. KEFAUVER. That is correct.

Mr. HUMPHREY. That is my understanding. Section 22 does not refer to rates, but refers to reduced rates.

Mr. KEFAUVER. Or contracts for charges.

Mr. HUMPHREY. But the phrase "reduced rates" is used.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KEFAUVER. How much time do I have remaining, Mr. President?

The PRESIDING OFFICER. The Senator has 10 minutes remaining.

Mr. KEFAUVER. I yield myself 3 more minutes.

Mr. HUMPHREY. As I understand the reduced rates, as defined in section 22, are not subject to ICC jurisdiction.

Mr. KEFAUVER. That is correct.

Mr. HUMPHREY. So on the one hand, while the procedure the Senate has cited

may be the practice where rates are agreed to in concert under section 5 (a), the Reed-Bulwinkle Act, at least the theoretical authority is within the Interstate Commerce Commission to adjust those rates, to hold them within minimums and maximums, as the ICC Act states, and, therefore, the matter is under the plenary jurisdiction of the Interstate Commerce Commission. Section 22, since it refers to reduced rates, does not come under the ICC jurisdiction. In other words, those rates are immune from any regulation.

Mr. KEFAUVER. And if the conference report bill shall be enacted the standards of the Reed-Bulwinkle Act will not apply to Government business. It will be possible to contract, and then—after the fact—retroactively file the papers with the Interstate Commerce Commission.

Mr. HUMPHREY. Exactly.

Mr. KEFAUVER. And there would be no standard of regulation by the Interstate Commerce Commission, as is ordinarily the case.

Mr. HUMPHREY. The Interstate Commerce Commission becomes a depository.

Mr. KEFAUVER. The Senator is correct.

Mr. HUMPHREY. Or an archive, so to speak, for action which is about to take place or has taken place.

I invite to the attention of my colleagues a reference which was brought to my attention as of yesterday, which I did not mention.

In the 79th Congress, I believe it was, there was an investigation made of Government payments to railroads for the shipment of war goods, materiel, and personnel. Those payments were made under the reduced rate schedules within the confines or the purview of section 22. It was discovered at that time, demonstrated by the testimony of the ICC itself, that the Government was in a helpless position insofar as the ICC was concerned, in order to obtain any kind of relief or action on the part of the Interstate Commerce Commission as to overcharging under section 22.

Mr. KEFAUVER. The Senator is correct.

Mr. HUMPHREY. So it seems to me that the history relating to section 22, the economic history insofar as the Government is concerned, is not one of reduced rates which are meaningful in terms of real cost, but rather one of excess charges, where the Government makes payments of excess charges and is unable to recoup that which even its own instrumentality of Government says it deserves.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PURTELL. Will the Senator yield to me, to allow me to ask a question?

Mr. KEFAUVER. I wanted to save the remaining time.

Mr. HUMPHREY. I will conclude on that note, because it appears to me, Mr. President, that what we are doing here, if we are not very careful, is standardizing, and really making it possible to do under the law what has been an abuse of practice in the past.

Mr. PURTELL. Mr. President, will the Senator allow me 1 minute to refer to the remarks of the Senator from Minnesota?

Mr. KEFAUVER. Yes.

Mr. PURTELL. Is the Senator from Minnesota clear in his recollection as to the information he received, that the matter discussed in the 79th Congress referred to section 22?

Mr. HUMPHREY. Yes; that is correct.

Mr. PURTELL. That is correct?

Mr. HUMPHREY. That is my understanding.

Mr. PURTELL. I suggest to the Senator that he might wish to check his source of information.

Mr. HUMPHREY. My information, if the Senator will permit me to reply, is that there were Senate hearings on House bill 2536 in the 79th Congress, when evidence was presented by the Justice Department, on the part of the Government, seeking to obtain some relief. The United States Government had been demonstrated to have been the victim of concerted action under section 22 practices.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KEFAUVER. Mr. President, what time is left on our side?

The PRESIDING OFFICER. The Senator from Tennessee has 7 minutes, and the Senator from Florida has 14 minutes.

Mr. KEFAUVER. The Senator from Florida has more time remaining than I have. Does he wish to yield any time?

Mr. CLARK. Mr. President, I wonder if the Senator from Florida would be willing to answer a couple of questions.

Mr. SMATHERS. I shall be happy to try to answer them.

Will the Chair stop me at the end of 3 minutes?

Mr. CLARK. Am I correct in saying that before the lower court decision the procedure under the Reed-Bulwinkle Act had been operating smoothly for almost 9 years, and the railroads had been making arrangements with the Government for the transportation of people and goods, and that there was no controversy over the procedure?

Mr. SMATHERS. The Senator is correct.

Mr. CLARK. Is it not also true that during that period the nonscheduled airlines very much increased their share of the transportation of this kind of Government traffic, as compared with the share which they had at the beginning of that period?

Mr. SMATHERS. The Senator is correct. The chart behind the Senator will show the history and the percentages for the past 3 years.

Mr. CLARK. Is it not true that all the conference agreement purports to do is to continue the status quo before the lower court decision?

Mr. SMATHERS. The Senator is correct.

Mr. CLARK. So no drastic change in existing law is proposed. This is not a situation in which we are violating the antitrust laws and getting into something brandnew. It is proposed merely

to continue the situation which has been the law for 9 years.

Mr. SMATHERS. As it was understood by all the Government agencies, including the Interstate Commerce Commission, and the railroads.

Mr. CLARK. Is it not also true that the conference report protects the right of appeal of the nonscheduled airlines, by reason of the proviso in the amendment?

Mr. SMATHERS. We attempt to do so in every way. That is a matter of legal interpretation. We have tried to protect them, and I think we have.

Mr. PURTELL. Mr. President, will the Senator yield 3 minutes to me?

Mr. SMATHERS. I yield 3 minutes to the Senator from Connecticut.

Mr. PURTELL. An answer was given to the Senator from Rhode Island [Mr. PASTORE] as to what effect the action taken by the conference committee might have upon the carrying of Government goods.

The information we have indicates that the railroads would be very reluctant to operate under section 22, fearful that ultimately they might find themselves in violation of the law. Therefore they will not grant the low rates to the Government at this time or until such time as action is taken by the court or by the Congress.

I wish to make it clear that I have no interest in the railroads or the nonscheduled airlines. Nor am I trying legislatively to displace a court decision.

We have heard a great deal about section 5 (a) and section 22. What do these sections provide? Section 5 (a) provides as follows:

Any carrier party to an agreement between or among two or more carriers relating to rates, fares, classifications, divisions, allowances, or charges (including charges between carriers and compensation paid or received for the use of facilities and equipment), or rules or regulations pertaining thereto, or procedures for the joint consideration, initiation, or establishment thereof, may, under such rules and regulations as the Commission may prescribe, apply to the Commission for approval of the agreement, and the Commission shall by order approve any such agreement (if approval thereof is not prohibited by paragraph (4), (5), or (6) if it finds that, by reason of the furtherance of the national transportation policy declared in this act, the relief provided in paragraph (9) should apply with respect to the making and carrying out of such agreement.

Paragraph (9) is the one which affects the entire area we are discussing. It reads as follows:

Parties to any agreement approved by the Commission under this section and other persons are, if the approval of such agreement is not prohibited by paragraph (4), (5), or (6), hereby relieved from the operation of the antitrust laws with respect to the making of such agreement, and with respect to the carrying out of such agreement in conformity with its provisions and in conformity with the terms and conditions prescribed by the Commission.

That means, as I read it, that any agreement which has been approved by the Commission, to the extent that the agreement points out what it is for, would be free of the antitrust laws. But it certainly does not mean that any operation by the railroads or any other car-

riers outside the agreement approved by the Commission would not be in violation of the antitrust laws.

Let me point out one thing further with respect to section 5 (a), which we have been discussing.

Paragraph (7) of section 5 (a) reads as follows:

(7) The Commission is authorized, upon complaint or upon its own initiative without complaint, to investigate and determine whether any agreement previously approved by it under this section, or terms and conditions upon which such approval was granted, is not or are not in conformity with the standard set forth in paragraph (2), or whether any such terms and conditions are not necessary for purposes of conformity with such standard, and, after such investigation, the Commission shall by order terminate or modify its approval of such agreement if it finds such action necessary to insure conformity with such standard, and shall modify the terms and conditions upon which such approval was granted to the extent it finds necessary to insure conformity with such standard or to the extent to which it finds such terms and conditions not necessary to insure such conformity. The effective date of any order terminating or modifying approval, or modifying terms and conditions, shall be postponed for such period as the Commission determines to be reasonably necessary to avoid undue hardship.

What I am trying to point out is that it is felt that relief was provided in that such agreements had to be approved by the Interstate Commerce Commission, covering section 22 rates. It was felt that there was recourse to the Commission, and that complaint could be made. I do not know that any such complaints have been made. My understanding is that no complaints of that nature have been registered.

That is the situation under the Reed-Bulwinkle Act. What we are trying to do is not to determine what the courts should do, and not to act upon what the court has done. My study has convinced me beyond question that section 22 was covered by section 5 (a). I want to see the status quo maintained until court decisions may indicate otherwise. I do not wish to see any change at this time by way of legislation.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. PURTELL. I yield.

Mr. CLARK. Does the Senator agree with the Senator from Florida that the bill protects the right of appeal of the nonscheduled airlines in a pending case?

Mr. PURTELL. I am not interested in the nonscheduled airlines. I am not interested in the railroads. Frankly, what they have done under the antitrust laws is something for the court to decide.

Mr. KEFAUVER. Mr. President, I yield myself the remaining time on my side.

The PRESIDING OFFICER. The Senator from Tennessee has 7 minutes.

Mr. KEFAUVER. Mr. President, the discussion in the Senate today is a most eloquent argument in favor of the motion I have made to postpone consideration of the conference report until January 30, 1958, at 2 o'clock p. m.

We are dealing with one of the most intricate and complicated subjects of legislation. It is highly technical. There have been arguments back and

forth as to the meaning of section 5 (a) and section 22. There have been arguments back and forth as to whether the Government will lose money or make money, and as to the merits of section 22.

The very confusion which exists here today is ample reason why we should have some committee guidance and direction on this very complicated subject. The reason we are not getting committee guidance and instruction is that a bill providing merely for a report to the Interstate Commerce Commission was passed by the Senate. That was what was presented to the House. The railroad company lost its lawsuit, and, as railroads have done so frequently, it comes to Congress and tries to have a law enacted, in order to win its lawsuit before the legislative body, when it should fight it out in the courts.

Let us talk about some of the issues in dispute.

Mr. PURTELL. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. PURTELL. The Senator has said that the railroads have come to Congress for relief. Is it not a fact, as has already been indicated, that it was the Defense Department which came to Congress and complained? It was the Defense Department which asked for some relief.

Mr. KEFAUVER. If the Senator does not know that the railroad lobby is working, he has not been around to see about it.

Mr. PURTELL. Lobbies are active on both sides.

Mr. KEFAUVER. The Senator says that lobbies are active on both sides. I presume he is correct.

It has been stated that section 22 has always been considered to be covered by the Reed-Bulwinkle law. That is not true. Even in April, before the Interstate and Foreign Commerce Committee, when the Senator from Ohio [Mr. LAUSCHE] and the Senator from Florida [Mr. SMATHERS] were present, Mr. Clarke, the Chairman of the Interstate Commerce Commission, made this statement:

The Commission has no power or authority at the present time to interfere in any way with the section 22 rate. We can't compel it to be raised or lowered. It is outside our jurisdiction entirely.

I invite attention to the history of the debates. I ask unanimous consent to have excerpts from the debates printed in the RECORD at this point as a part of my remarks.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

The hearings held by the Committee on Interstate Commerce have never been printed. They are not available to Members of the Senate. The bill was passed in the House on December 10, 1945, came to the Senate, and was referred to the Committee on Interstate Commerce. The committee held some hearings during the spring. I do not know why they have not been printed and are not available to the Members of the Senate, but they are not. No one outside the few members of the committee who were present at the time knows what the testimony was. Frequently, when bills have been brought up in the Senate, Senators have

even objected to their consideration until the hearings could become available, and no one seriously questioned the propriety of such a request for postponement.

Mr. RUSSELL. I appreciate the Senator from Kentucky making this point very clear. Here we have a very highly controversial bill, involving one of the most complicated subjects in the entire American economy, that of freight rates, on which hearings were held for several weeks, and we are asked to take up the bill and consider it without having been able to secure a copy of the hearings and read them. The members of the Committee on Interstate Commerce may have had the hearings available, and may have had an opportunity to hear the witnesses themselves. The Senator from Kansas [Mr. REED] is familiar with these subjects by virtue of his long background in dealing with public-utility matters.

Mr. President, this bill affects my State. It affects litigation which the Supreme Court of the United States has permitted my State to file in that Court, and which has been referred to a master for determination. In view of the fact that I have not been able even to secure copies of the hearings, to see what the witnesses submitted in behalf of my State, I certainly feel justified in using any means at my command which are legal to see that the bill is not passed by the Senate, or taken up for consideration. In view of the fact that we have had no opportunity whatever to read the hearings, I appreciate the fact that the Senator from Kentucky has made that point clear.

I ask the Senate in all seriousness, how often and to what extent are we to constitute ourselves into a supreme court in order to take away from the court litigation which has gone there properly under the law, in order that we may cut the ground out from under the Supreme Court in determining what is the law in regard to these situations? That is what this bill attempts to do.

Mr. BARKLEY. Yes; very similar. The introduction of such bills seems to have become a habit here. If someone brings a lawsuit in the Federal court, and it gets to the Supreme Court, or does not get to the Supreme Court, a case which involves an interpretation of the laws which Congress has passed to protect the American people, instead of fighting the question out in the courts and allowing the courts to exercise their jurisdiction, Congress is asked to enact a law passing upon the question in advance of the courts having an opportunity to pass upon it. I think it is a vicious practice; I think it is a vicious habit; it ought never to have been indulged in.

It seems to me that for the Congress to start out on the career of undertaking to nullify lawsuits, undertaking to set itself up as a master in chancery in the Supreme Court to determine what are the rights of these litigants, is an unjustified invasion of the jurisdiction of the court.

Mr. HILL. And the Senate at this moment does not even have the hearings, does not even have the testimony, does not even have the evidence on this bill available to it for study.

I know that investigation of the subject was made. Under this bill the Department of Justice would have no occasion to make such an investigation to determine the facts, because we are proposing to say to the Government of the United States, to the Department of Justice, and to the Federal courts, "The railroads are to be put on an island of safety, beyond the reach of the antitrust laws."

Mr. FERGUSON. As I read that provision, the bill would not interfere with the litigation before the Supreme Court. If certain railroads have violated the antitrust laws, they certainly should be punished. The

last thing I would wish to do would be to interfere with a suit for the punishment of such railroads.

Mr. RUSSELL. The State of Georgia sought injunctive relief against the railroads from the conspiracy which was alleged, a conspiracy to combine to fix rates which were detrimental to the State of Georgia. If we pass this bill it will permit the railroads to get together and fix rates. The very heart will be cut out of the case of the State of Georgia which seeks to enjoin the conspiracy to discriminate against the State of Georgia and other States similarly situated.

Mr. BARKLEY. I respectfully submit that it would do the State of Georgia, or any other State in the United States, no good simply to obtain a decision of the Supreme Court holding that what the railroads did at the time stated in the complaint was unlawful, when we are proposing to make it lawful hereafter for the railroads to do the same things which are involved in the lawsuit in the Supreme Court. The decision would be moot. It would not grant any relief. There would be no particular efficacy in having the Supreme Court decide that something which happened a year or two ago was unlawful then, and to have the Congress say that from now on it shall be lawful to do the same thing.

Mr. FULBRIGHT. This matter is as important to Arkansas as it is to Georgia. I cannot understand why there is any urgency that the bill be considered. It seems to me that it would be wholly inappropriate to have the Senate consider the bill at this time. The hearings have not been printed, and it is obvious that the subject matter of the bill is controversial.

Mr. KEFAUVER. Representatives Bulwinkle, Reed, and others stated that the Reed-Bulwinkle bill applied only to rates which were under the jurisdiction of the Interstate Commerce Commission; that the section 22 rates, being reduced rates or special rates for Government service, were not under the jurisdiction of the Interstate Commerce Commission. That is what Mr. Clarke said. That is what the sponsors of the bill said. That is what Judge McGarraghy has said. There may have been some statements to the contrary, but I have read the statement of the Chairman of the Interstate Commerce Commission.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. CLARK. Is it the position of the Senator from Tennessee that ever since 1948 the railroads and the Government were, in effect, violating the antitrust laws, without any escape clause?

Mr. KEFAUVER. The railroads, if they have been conspiring and working together to get Government business, have, in my opinion, violated the antitrust laws.

Mr. CLARK. And that has been going on for how long?

Mr. KEFAUVER. I do not know how long it has been going on. There is nothing to prevent a railroad from going to the Defense Department and saying, "We will move this camp for so much." That is what section 22 provides. However, when the railroads act together, they violate the antitrust laws.

Mr. CLARK. Then is it the view of the Senator from Tennessee that for the first time the law was properly established by Judge McGarraghy?

Mr. KEFAUVER. No; it has been the law right along. The sponsors of the bill want these things put under the jurisdiction of the Interstate Commerce Commission. Section 22 is not under its jurisdiction, and it never has been.

Mr. CLARK. As I understand, these agreements have been made by the railroads for the past 10 years.

Mr. KEFAUVER. I assume some of them have been. I do not know whether the railroads have been conspiring. If they have been conspiring, they have been violating the law.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. KEFAUVER. I cannot yield at this time. I should like to finish this point. The Reed-Bulwinkle Act does not apply to the specific end products. The conference report does more than merely bring section 22 under the Bulwinkle Act. The Bulwinkle Act prescribes standards. The bill also has retroactive application. It applies to something that was done prior to the effective date of this paragraph. Therefore, under the bill the railroads can get their price after the contract has been performed. Retroactively, after it has been negotiated, they can get their price, without public notice, and without any of the standards set forth in the Reed-Bulwinkle Act. All they do is simply file with the ICC what they have done, and they are immunized from the application of the antitrust laws.

On the question of whether the Government will lose any money, I should like to say that, in the first place, the Interstate Commerce Commission itself has said that for the years 1950 to 1954, section 22 rates were 13 percent higher than the regular commercial rates. Mr. Earl B. Smith, the Director for Transportation and Petroleum Logistics of the Defense Department, testified to that effect on April 16, 1957.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KEFAUVER. He said that the regular commercial rates were lower than section 22 rates.

The PRESIDING OFFICER. The time of the Senator from Tennessee has expired.

Mr. KEFAUVER. Do I have any time remaining?

The PRESIDING OFFICER. All time of the Senator from Tennessee has expired.

Mr. SMATHERS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Florida has 5 minutes remaining.

Mr. SMATHERS. In essence what we are endeavoring to do, as we have repeatedly said, is to reestablish the status quo as it has existed since the passage of the Reed-Bulwinkle Act, since 1948. We are not arguing the merits of the Reed-Bulwinkle Act. Perhaps we should. The fact is that Congress passed that act in 1948 by a two-thirds vote of both Houses. There is no doubt in the mind of most people, certainly not in the mind of the Interstate Commerce Commission, and certainly not in the mind of the

Defense Department or the Atomic Energy Commission, that the protection given by the Reed-Bulwinkle Act applies not merely to commercial shippers and people in ordinary business, but to Government rates under section 22 as well.

The first time we ever had an idea that there was any question about such immunity was when, on July 5 of this year, the District Court of the District of Columbia entered its order.

In view of that order, we must take some action. Why must we do so? If we do not do it, the railroads and the motor carriers and the water carriers can say, "We can no longer do business with the Government under section 22. If we do, we will be subjecting ourselves to further lawsuits."

The only thing we are trying to achieve is to put ourselves back in the status quo until such time, possibly, as some Senators who are so much interested in fighting monopoly introduce a bill to hit directly the question of the repeal of the Reed-Bulwinkle Act.

I ask the Senator from Tennessee to give me his attention on this point, because I wish to say to him that he has inferred we are carrying the banner of the railroads. I would respectfully point out to him that we are not carrying the banner of the railroads, but that, unwittingly, he is carrying the banner of the railroads. Who gains if we fail to act in this situation?

Mr. KEFAUVER. Mr. President, will the Senator yield to me? He has mentioned my name.

Mr. SMATHERS. I do not have the time to yield.

Mr. KEFAUVER. The Senator has referred to me in the debate.

Mr. SMATHERS. If we do not act, it will cost the Defense Department \$100 million, the Atomic Energy Commission \$4 million, and the General Services Administration \$13 million. If we do not act, the non-scheduled air lines will get a judgment of \$45 million. They will get that money from the railroads, but the railroads will get even more money from the Government. By a little arithmetic, we can see that the railroads will get about \$120 million. Taking \$45 million from that, leaves the railroads with about \$75 million net. Not only that, but when the lawsuit is over, they get another cool \$120 million. Who gets it? The railroads get it. That is why for many years they have wanted section 22 stricken out.

Mr. KEFAUVER. Mr. President, the Senator has mentioned my name. Will he yield to me?

Mr. SMATHERS. The Senator has mentioned my name many times. I refer to a letter written to us by the Defense Department. They say that what worries them about the situation is that if the court decision stands there will be claims made against the Defense Department for having used below-published rates, and the railroads can come forward and demand from the Defense Department, as the Department puts it, an incalculable amount. How much? We know it will be \$120 million for 1956. It will be \$120 million for 1955. It will be \$120 million for 1954. Consider the

Korean war, it will be \$200 million or \$300 million. Eventually the claims will amount to almost a billion dollars.

Who will get that money? The railroads will. Therefore I submit that the only practical thing we can do is not to open this little door so that the railroads can make themselves rich. They have not been lobbying. They have been playing it cozy. They know that whichever way this goes, they are bound to win. If we fail to do anything about it, then obviously they can come forward and say that the district court decision holds they have been giving the Government below-published rates, and they are therefore entitled to get that money back. I submit that this amounts to a billion dollars.

Mr. SMATHERS subsequently said: Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks, just prior to the vote on the Kefauver motion, a letter written to me by General Lasher which is self-explanatory, including an attached memorandum.

There being no objection, the letter and memorandum were ordered to be printed in the RECORD, as follows:

HEADQUARTERS,
MILITARY TRAFFIC MANAGEMENT AGENCY,
UNITED STATES ARMY,
Washington, D. C., August 22, 1957.
Hon. GEORGE A. SMATHERS,
United States Senate.

DEAR SENATOR SMATHERS: In response to your telephone request, I am inclosing a memorandum as to the legal requirements of a carrier to collect tariff rates.

I am happy for the opportunity of assembling this information and hope that it may be of assistance to you.

Sincerely yours,

E. C. R. LASHER,
Major General, United States Army,
Executive Director.

MEMORANDUM

Section 6 (7) of the Interstate Commerce Act provides that no carrier shall charge or demand or collect or receive a greater or less or different compensation for the transportation of passengers or property or for any service in connection therewith between the points named in such tariffs than the rates, fares, and charges which are specified in the tariff filed and in effect at the time. The only exception to this is that provided in section 22 which permits carriers to transport persons and property free or at reduced rates for the United States Government and for others specifically named in that section.

As stated by the United States Supreme Court in *Pennsylvania R. Co. v. International Coal Min. Co.* (230 U. S. 184), "The statute required the carrier to abide absolutely by the tariff. It did not permit the company to decide that it had charged too much and then make a corresponding rebate; nor could it claim that it had charged too little, and insist upon a larger sum being paid by the shipper. * * * The tariff, so long as it was of force, was, in this respect, to be treated as though it had been a statute, binding as such upon railroad and shipper alike." The United States Supreme Court in *Lowden v. Simonds, Etc., Grain Co.* (306 U. S. 516), stated: "Until changed, tariffs bind both carriers and shippers with the force of law. Under section 6 of the Interstate Commerce Act the carrier cannot deviate from the rate specified in the tariff for any service in connection with the transportation of property. That section forbids the carrier from giving a voluntary rebate in any shape or form."

Therefore, if, as found by Judge McGarraghy in United States District Court for the District of Columbia, Civil Action 875-57, "1. The antitrust immunity conferred by section 5a of the Interstate Commerce Act does not apply to concerted section 22 quotations made to the United States Government." * * * and "4. The concerted section 22 quotations of defendants are illegal per se under the antitrust laws.", there is good argument to support a legal requirement upon the carriers to file claims against the United States Government for the difference between the section 22 rate found "illegal" and the tariff or legal rate.

Mr. NEUBERGER subsequently said: Mr. President, for the information of the Senate, I ask unanimous consent that there may appear in the RECORD, prior to the yea-and-nay vote on this issue, telegrams and other messages which I have received from representative leaders of the various railroad brotherhoods in the State of Oregon, as well as telegrams from some of the national officers of the same organizations of railroad labor.

The messages all bear upon the question which is before the Senate, and I believe my colleagues will be interested in studying or perusing them.

There being no objection, the messages were ordered to be printed in the RECORD, as follows:

KLAMATH FALLS, OREG.,
August 14, 1957.

Hon. RICHARD L. NEUBERGER,
United States Senator,
Senate Office Building,
Washington, D. C.:

We railroad employees are very much interested in the passage of House bill 3233, regarding nonscheduled airlines. Our passenger trains are cut to the limit, which is affecting our economy. This will cost the taxpayers approximately \$1,500,000. We are looking forward to your favorable support.

ALFRED F. CONDREY,
Chairman, Railroad Employees
Committee of Klamath County.

BAKER, OREG., August 13, 1957.
Senator RICHARD NEUBERGER,
Washington, D. C.

DEAR SENATOR: Relative to H. R. 3233 I am asking your support for the conference committee reporting, including the Harris amendment. Unless this is adopted the nonscheduled airlines will automatically receive preference over the railroad which will contribute to railroad unemployment. According to my information H. R. 3233, as amended, will also save the taxpayers about \$140 million. Best wishes.

PAT DAVIS,
The Railroad Employees Association.

PORTLAND, OREG., August 13, 1957.
Senator RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.:

Respectfully request favorable consideration H. R. 3233, including Harris amendment. This would protect employment railroad personnel, prevent giving this business to non-scheduled air flights, saving Government \$140 million.

F. W. MADDEN,
Secretary-Treasurer, Railroad Brotherhoods Legislative League of Oregon.

SALEM, OREG., August 14, 1957.
Senator RICHARD NEUBERGER,
United States Senate,
Washington, D. C.:

Our understanding H. R. 3233, as amended, still permits ICC to control rates. Strongly

urge adoption House version in order to prevent the transfer of business from the railroads to nonscheduled airlines. Railroad employment and taxpayers would otherwise suffer.

R. C. McCORMICK,
Chairman, Railway Employees
Committee.

PORTLAND, OREG., August 14, 1957.

Senator RICHARD NEUBERGER,
United States Senate Office Building,
Washington, D. C.:

I understand that the conference committee has reported out H. R. 3233. This bill includes the Harris amendment which allows the railroads to keep the business they have had rather than give it to the nonscheduled airlines. This bill is important to us for three reasons. 1. It protects our employment, 2. is supported by the Department of Defense, and 3. saves the taxpayers approximately \$140 million. We, the Portland Redcaps, respectfully solicit your support of this measure.

Redcap JASON C. DANCEY.

CLEVELAND, OHIO, August 15, 1957.

Hon. Senator RICHARD LEWIS NEUBERGER,
Senate Office Building,
Washington, D. C.:

I urge your support of conference committee report on S. 939 to amend section 22 of Interstate Commerce Act. Carriers should be permitted to work together when it means reduced charges to Federal Government for transportation, and railroads should not be penalized for cooperating in this effort. No single line can accomplish this by itself. I seek your help in having conference committee report adopted this session.

H. E. GILBERT,
President, Brotherhood of Locomotive
Firemen and Enginemen.

CLEVELAND, OHIO, August 15, 1957.

Hon. RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.:

We urge your support of conference committee report on S. 939 to amend section 22 of Interstate Commerce Act. Carriers should be permitted to work together when it means reduced charges to Federal Government for transportation, and railroads should not be penalized for cooperating in this effort. No single line can accomplish this by itself. We seek your help in having conference committee report adopted this session.

W. P. KENNEDY,
President, Brotherhood of Railroad
Trainmen.

WASHINGTON, D. C., August 16, 1957.

Hon. RICHARD L. NEUBERGER,
United States Senate,
Washington, D. C.:

On behalf of the Order of Railway Conductors and Brakemen, I respectfully urge your support of conference committee report on S. 939 to amend section 22 of Interstate Commerce Act. Railroads should be permitted to work together to provide reduced charges to Federal Government for transportation and should not be penalized for cooperating to that end. No single railroad can accomplish this by itself. Therefore, your help in having conference committee report adopted this session will mean much to the taxpayers, railroads, and employees.

R. O. HUGHES, President.

CLEVELAND, OHIO, August 14, 1957.

Hon. RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.:

On behalf of more than 70,000 members of the Brotherhood of Locomotive Engineers manning the locomotives on the Nation's

railroads, I urge you to support the conference committee report on S. 939 and assist in having it adopted at this session. We believe the railroads should be encouraged to work together in reducing charges to the Federal Government covering transportation of both troops and freight without becoming subject to antitrust penalties.

GUY L. BROWN,
Grand Chief Engineer, Brotherhood of
Locomotive Engineers.

The PRESIDING OFFICER. The time of the Senator from Florida has expired. All time for debate has expired. The question is on agreeing to the motion of the Senator from Tennessee [Mr. KEFAUVER] to postpone, until January 30, 1958, at 2 o'clock p. m., further consideration of the conference report.

Mr. KEFAUVER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. SMATHERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SCOTT in the chair). Without objection, it is so ordered.

The question is on agreeing to the motion of the Senator from Tennessee [Mr. KEFAUVER] to postpone the further consideration of the conference report until January 30, 1958, at 2 p. m.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

Mr. MORTON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Kentucky will state it.

Mr. MORTON. On this question, a vote "nay" will be in favor of sustaining the position taken by the conferees, will it?

The PRESIDING OFFICER. A vote "nay" will be in favor of having the Senate proceed at this time with further consideration of the conference report.

Mr. KEFAUVER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Tennessee will state it.

Mr. KEFAUVER. Is it not correct that a vote "yea" on the pending question will be in favor of postponing the further consideration of the conference report until January 30, 1958, at 2 p. m.; and a vote "nay" will be in opposition to the taking of that course?

The PRESIDING OFFICER. That is correct.

Mr. SMATHERS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Florida will state it.

Mr. SMATHERS. A vote "nay" will be to sustain the position taken by the conferees, will it not?

Mr. KEFAUVER. The vote is being taken on my motion.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee [Mr. KEFAUVER] to postpone the further consideration of the conference report until January 30, 1958, at 2 p. m.

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Louisiana [Mr. ELLENDER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from West Virginia [Mr. NEELY], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

The Senator from Idaho [Mr. CHURCH] is absent on official business attending the Economic Conference of the Organization of American States at Buenos Aires.

The Senator from Missouri [Mr. HENNINGS] is absent by leave of the Senate because of illness.

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Massachusetts [Mr. KENNEDY]. If present and voting the Senator from New Mexico would vote "nay" and the Senator from Massachusetts would vote "yea."

The Senator from Louisiana [Mr. ELLENDER] is paired with the Senator from West Virginia [Mr. NEELY]. If present and voting, the Senator from Louisiana would vote "nay" and the Senator from West Virginia would vote "yea."

The Senator from Missouri [Mr. HENNINGS] is paired with the Senator from Maryland [Mr. BUTLER]. If present and voting, the Senator from Missouri would vote "yea" and the Senator from Maryland would vote "nay."

Mr. DIRKSEN. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Maryland [Mr. BUTLER], and the Senator from South Dakota [Mr. CASE] are absent on official business.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Maine [Mr. PAYNE] are absent because of illness.

Then Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate, in order to represent the Senate at the Latin American Economic Conference in Buenos Aires.

If present and voting, the Senator from Vermont [Mr. AIKEN], the Senator from Indiana [Mr. CAPEHART], and the Senator from Maine [Mr. PAYNE] would each vote "nay."

The Senator from Maryland (Mr. BUTLER) is paired with the Senator from Missouri [Mr. HENNINGS]. If present and voting, the Senator from Maryland would vote "nay," and the Senator from Missouri would vote "yea."

The result was announced—yeas 19, nays 62, as follows:

YEAS—19

Carroll	Javits	Pastore
Cooper	Kefauver	Russell
Douglas	Langer	Scott
Gore	McNamara	Sparkman
Green	Morse	Wiley
Hill	Murray	
Humphrey	O'Mahoney	

NAYS—62

Allott	Bricker	Curtis
Anderson	Bush	Dirksen
Barrett	Carlson	Dworshak
Beall	Case, N. J.	Eastland
Bennett	Clark	Ervin
Bible	Cotton	Flanders

Frear	Lausche	Robertson
Fulbright	Long	Saltonstall
Goldwater	Magnuson	Schoeppel
Hayden	Malone	Smathers
Hickenlooper	Mansfield	Smith, Maine
Holland	Martin, Iowa	Smith, N. J.
Hruska	Martin, Pa.	Stennis
Ives	McClellan	Symington
Jackson	Monroney	Talmadge
Jenner	Morton	Thurmond
Johnson, Tex.	Mundt	Thye
Johnston, S. C.	Neuberger	Watkins
Kerr	Potter	Williams
Knowland	Purtell	Young
Kuchel	Revercomb	

NOT VOTING—14

Aiken	Case, S. Dak.	Kennedy
Bridges	Chavez	Neely
Butler	Church	Payne
Byrd	Ellender	Yarborough
Capehart	Hennings	

So the motion was rejected.

Mr. JOHNSON of Texas. Mr. President, I move that the vote by which the motion was rejected be reconsidered.

Mr. KNOWLAND. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California to lay on the table the motion of the Senator from Texas.

The motion to lay on the table was agreed to.

Mr. JOHNSON of Texas. Mr. President, if it is agreeable, I shall yield back my time on condition that the minority leader will do likewise, and the Senate can adopt the conference report and then proceed to other business. If Senators will let us do that, they can then proceed with routine business.

Mr. KNOWLAND. Mr. President, I wonder if there is any request for time on this side of the aisle on either side of the question. If not, I am prepared to yield back my time, and I do so.

Mr. JOHNSON of Texas. I yield back the time remaining to me.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the conference report. The report was agreed to.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. KNOWLAND. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California to lay on the table the motion of the Senator from Texas.

The motion to lay on the table was agreed to.

EXTENSION OF AUTHORITY TO MAKE CERTAIN PAYMENTS TO BERNALILLO COUNTY, N. MEX.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 9023) to amend the act of October 31, 1949, to extend until June 30, 1960, the authority of the Surgeon General to make certain payments to Bernalillo County, N. Mex., for furnishing hospital care to certain Indians, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. HILL. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. HILL, Mr. MURRAY, Mr. KENNEDY, Mr. PURTELL, and Mr. COOPER conferees on the part of the Senate.

ORDER FOR CONSIDERATION OF ATOMIC ENERGY APPROPRIATION BILL ON TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that it may be in order to consider the atomic energy appropriation bill tomorrow.

I should like to announce that I am informed by the chairman and the ranking minority member of the Appropriations Committee that there is no controversy over the bill, that the amount provided in the bill is below that provided by the House and below the budget estimates, that it is important that the Senate consider the measure, and I should like to have it considered tomorrow. It is agreeable to the minority leader and members of the committee, and I hope it will be agreeable to the Senate. Therefore I ask that it be in order to consider the bill tomorrow.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. JOHNSON of Texas. I yield.

Mr. LANGER. What time will the Senate convene tomorrow?

Mr. JOHNSON of Texas. That has not been agreed upon, but I think, at the moment, it will be 12 o'clock. I want to discuss it with the minority leader.

MUNICIPAL YIELD INDEX CLIMBS

Mr. HUMPHREY. Mr. President, for the fifth straight week the Dow-Jones municipal yield index shows a rise. The latest figure is 3.58 percent, an increase of 4 points over last week and the highest yield recorded since September of 1935. Interest rates, even on tax-exempt bonds, continued to rise.

I ask unanimous consent that an article on rising municipal bond yields, from the Wall Street Journal of August 19, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD; as follows:

[From the Wall Street Journal of August 19, 1957]

MUNICIPAL YIELD INDEX CLIMBS 4 BASIS POINTS, HITS NEW 22-YEAR HIGH

The steady attrition of municipal bond prices continued last week, and the Dow-Jones yield index on tax exempts today registers 3.58 percent, the highest level since September 1935, and an increase of 4 basis points over last Monday's 3.54 percent figure, the previous 22-year record.

The Dow-Jones index, comprised of 20 representative 20-year bonds, moves inversely to municipal security prices.

Main reason given by dealers for the dwindling value of their wares was the continued high volume of municipal securities coming to market. This swollen money demand,

acting in conjunction with the Federal Government's anti-inflationary, tight-money practices, has beaten down bond prices and forced yields up to heights not seen since the mid-thirties, they note.

With municipal bond yields greater than those realized on many stocks and carrying their tax-free attraction besides, municipal traders discerned a mild swing from stock to bond purchases by individual investors. These investors from the stock market sought primarily short-term maturity bonds and were lured by yields from municipal bonds actually more attractive than those of the thirties. Corporate and income taxes were far less weighty 20 years ago than now.

Confronted with the possibility of a further drop in bond prices, dealers evaluated issues last week with an eye to rapid movement. Reception by investors at retail varied from good to so-so. The \$44 million Los Angeles school districts issue was last week's biggest success, reporting a sellout soon after the re-offering. On the other hand, by late Friday only a little over half of New York City's \$40 million securities were reported sold. Nearly a third of the \$35 million Connecticut issue of 2 weeks ago was still unsold. And realistic price cuts reportedly were anticipated.

Some dealers in municipals felt the prices quoted last week were close to rock bottom. Most other dealers, however, could see no basic change in the conditions that were depressing the bond market; i. e., tight money policies of the Federal Reserve System and the heavy demand of municipalities for money they felt prices would continue to dwindle until those conditions were changed.

The visible 30-day supply of tax-exempt bonds coming to market now stands at \$318,153,019, up from last Monday's figure of \$304,329,614, according to the Daily Bond Buyer. The blue list total of unsold municipal and housing bonds held by dealers today of \$175,318,100, also increased from last Monday's \$167,086,000.

Larger issues coming up for sale this week are \$21,002,000 Nassau County, N. Y., bonds today, and \$19,600,000 Kansas Turnpike Authority bonds and \$19 million Massachusetts obligations on Tuesday.

A NEW ISOLATIONISM—RIPPLES OR TIDE?

Mr. CARROLL. Mr. President, I ask unanimous consent to have printed in the RECORD an article which appeared in the New York Times Magazine for August 18, 1957, entitled "A New Isolationism—Ripples or Tide?" written by the distinguished Senator from Illinois [Mr. DOUGLAS]. It is a very fine article, which stimulates thinking on a problem which we in this Congress and in future Congresses will have to meet. I recommend its reading.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times Magazine of August 18, 1957]

A NEW ISOLATIONISM—RIPPLES OR TIDE?—ITS SIGNIFICANCE CANNOT YET BE RECKONED, BUT, AS SENATOR DOUGLAS SEES IT, THERE IS MOUNTING OPPOSITION TO OUR FOREIGN AID AND TRADE PROGRAMS—HERE HE DISCUSSES ITS CAUSES

(By PAUL H. DOUGLAS)

WASHINGTON.—Now that Congress is considering the various measures proposed by the administration, I am offering the following personal comments for what they may be worth:

"I think the United States should get out of the United Nations, and get the United Nations out of the United States.

Public Law 85-246
85th Congress, S. 939
August 31, 1957

AN ACT

71 Stat. 564.

To amend section 22 of the Interstate Commerce Act, as amended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 22 of the Interstate Commerce Act, as amended (49 U. S. C., sec. 22), is amended as follows:

(a) By inserting "(1)" immediately after "Sec. 22."

(b) By inserting at the end of such section the following:

"(2) All quotations or tenders of rates, fares or charges under paragraph (1) of this section for the transportation, storage, or handling of property or the transportation of persons free or at reduced rates for the United States Government, or any agency or department thereof, including quotations or tenders for retroactive application whether negotiated or renegotiated after the services have been performed, shall be in writing or confirmed in writing and a copy or copies thereof shall be submitted to the Commission by the carrier or carriers offering such tenders or quotations in the manner specified by the Commission and only upon the submittal of such a quotation or tender made pursuant to an agreement approved by the Commission under section 5a of this Act shall the provisions of paragraph (9) of said section 5a apply, but said provisions shall continue to apply as to any agreement so approved by the Commission under which any such quotation or tender (a) was made prior to the effective date of this paragraph or (b) is hereafter made and for security reasons, as hereinafter provided, is not submitted to the Commission: *Provided*, That nothing in this paragraph shall affect any liability or cause of action which may have accrued prior to the date on which this paragraph takes effect. Submittal of such quotations or tenders to the Commission shall be made concurrently with submittal to the United States Government, or any agency or department thereof, for whose account the quotations or tenders are offered or for whom the proposed services are to be rendered. Such quotations or tenders shall be preserved by the Commission for public inspection. The provisions of this paragraph requiring submissions to the Commission shall not apply to any quotation or tender which, as indicated by the United States Government, or any agency or department thereof, to any carrier or carriers, involves information the disclosure of which would endanger the national security."

Interstate Commerce Act, amendments.
24 Stat. 387.

Quotations of rates for U.S. Government.

49 USC 5.

Approved August 31, 1957.

